



treasury

Department:

Treasury

PROVINCE OF KWAZULU-NATAL

Municipal Finance Management

2nd Quarter Review

2020/21

MFQR: 31 December 2020

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Data Source and Reliability

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All information in this report is based on the MFMA Section 71 data string reports that each Municipal Manager and Chief Financial Officer were required to verify, sign and submit to National Treasury. Therefore, any queries on the budget, revenue or expenditure figures reflected in the report must be referred to the relevant Municipal Manager or Chief Financial Officer.

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Methodology and Approach

The methodology and approach used for the compilation of this report included the following:

The data for the analysis used in this report was extracted from the 2020/21 Municipal Budget Information: Second Quarter Financial Results as at 31 December 2020. The non-delegated municipalities, namely; the eThekweni Metro, the Msunduzi and the uMhlathuze Local Municipalities are included in the report. By the time of publishing the second Quarter information by National Treasury, some municipalities did not submit all the required monthly MFMA Section 71 performance data strings. This has distorted the review of the budget performance as at the end of the second Quarter for the respective municipalities, the district totals and the aggregated provincial total.

The mechanical straight line method of projection was used as the benchmark for expenditure and revenue as at the end of the second Quarter. In terms of the straight line method of projection, all municipalities should have generated and spent approximately 50 percent of their Original Budgets as at the end of the second Quarter.

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Introduction

This consolidated municipal budget performance review covers the financial performance of municipalities in KwaZulu-Natal as at the end of the second quarter of the 2020/21 financial year ended 31 December 2020.

The consolidated statement provides the in-year financial performance of municipalities against their budgeted revenue and expenditure. It includes the capital and operating budget performances as well as the debtors, creditors, conditional grants and compliance with the Division of Revenue Act (DoRA) of 2020 and the MFMA reporting requirements. It also provides a status report on the implementation of the Regulations on the Municipal Standard Chart of Accounts (mSCOA) and other municipal support and oversight.

Assessing the expenditure performance of municipalities assists in serving as a control and management tool and also serves as an early warning signal for the identification of financial problems.

This is the second financial year that the report is prepared using the figures from the mSCOA data strings. The mSCOA Regulations were promulgated on 22 April 2014 and prescribes the uniform recording and classification of municipal budget and financial information at a transaction level. The mSCOA Regulations require that municipalities upload their budget and financial information in a data string format to the Local Government portal across the six mSCOA regulated segments. The credibility of the information contained in the mSCOA data strings remains a serious concern. At the core of the problem is:

- The incorrect use of the mSCOA and municipal accounting practices by municipalities;
- A large number of municipalities are not budgeting, transacting and reporting directly in/from their core financial systems. Instead they prepare their budgets and reports on excel spreadsheets and then import the excel spreadsheets into the system; and
- Municipalities are not locking their Adopted Budgets and/or their financial systems at month-end to ensure prudent financial management.

Due to the matters noted above, some of the information contained in this report might not be credible.

It should also be noted that the municipalities listed in Table 16(a) did not upload all the required data strings for the 2020/21 financial year as at 31 December 2020 which resulted in distorted information for the quarter under review.

Legislative Framework

In terms of Section 71(7) of the MFMA, *the Provincial Treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for Finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.*

2. Provincial and District Overview

2.1 Operating Revenue and Expenditure – Provincial Total

Table 1: Operating Revenue and Expenditure as at the end of Quarter 2 - 2020/21

R thousands	2020/21							2019/20		Q2 of 2019/20 to Q2 of 2020/21
	Budget	First Quarter		Second Quarter		Year to Date		Second Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
Operating Revenue and Expenditure										
Operating Revenue	72 122 484	25 823 098	35.8	18 642 283	25.8	44 465 381	61.7	12 358 518	48.2	50.8
Property rates	14 453 309	5 411 996	37.4	3 396 555	23.5	8 808 551	60.9	2 099 575	49.1	61.8
Service charges - electricity revenue	21 529 409	7 359 615	34.2	5 104 600	23.7	12 464 215	57.9	2 970 178	40.3	71.9
Service charges - water revenue	8 518 774	2 588 631	30.4	1 899 976	22.3	4 488 607	52.7	1 327 148	40.1	43.2
Service charges - sanitation revenue	1 997 982	533 408	26.7	351 790	17.6	885 199	44.3	279 439	35.7	25.9
Service charges - refuse revenue	1 563 827	465 322	29.8	368 051	23.5	833 373	53.3	266 214	41.3	38.3
Rental of facilities and equipment	1 029 036	217 229	21.1	182 944	17.8	400 172	38.9	164 901	34.9	10.9
Interest earned - external investments	734 298	137 748	18.8	89 242	12.2	226 990	30.9	148 477	39.6	(39.9)
Interest earned - outstanding debtors	1 214 999	453 010	37.3	143 581	11.8	596 592	49.1	331 984	67.3	(56.8)
Dividends received	-	357	-	277	-	634	-	373	-	(25.7)
Fines, penalties and forfeits	352 702	34 859	9.9	27 876	7.9	62 735	17.8	49 144	18.3	(43.3)
Licences and permits	145 263	24 527	16.9	29 322	20.2	53 848	37.1	56 157	101.5	(47.8)
Agency services	54 827	12 406	22.6	21 268	38.8	33 674	61.4	9 301	32.8	128.7
Transfers and subsidies	16 250 986	7 382 105	45.4	5 799 524	35.7	13 181 629	81.1	3 590 279	65.6	61.5
Other revenue	4 229 379	1 126 547	26.6	1 221 067	28.9	2 347 614	55.5	1 064 183	52.8	14.7
Gains	47 693	75 338	158	6 209	13	81 547	171	1 166	57.4	432.6
Operating Expenditure	72 176 330	20 894 783	28.9	16 899 870	23.4	37 794 653	52.4	12 409 495	40.5	36.2
Employee related costs	20 812 092	5 942 872	28.6	5 692 703	27.4	11 635 576	55.9	3 779 986	40.2	50.6
Remuneration of councillors	894 136	235 109	26.3	195 376	21.9	430 485	48.1	161 587	42.6	20.9
Debt impairment	4 156 733	595 378	14.3	202 843	4.9	798 221	19.2	245 629	27.4	(17.4)
Depreciation and asset impairment	6 348 517	1 657 082	26.1	1 183 761	18.6	2 840 843	44.7	898 024	31.9	31.8
Finance charges	1 107 678	276 232	24.9	323 613	29.2	599 845	54.2	221 103	43.7	46.4
Bulk purchases	21 191 272	8 488 957	40.1	4 916 973	23.2	13 405 929	63.3	3 306 646	45.1	48.7
Other Materials	1 865 387	379 709	20.4	383 528	20.6	763 237	40.9	299 461	38.9	28.1
Contracted services	9 302 353	2 015 918	21.7	2 444 849	26.3	4 460 767	48	2 134 584	42.8	14.5
Transfers and subsidies	816 603	206 865	25.3	151 664	18.6	358 529	43.9	166 631	40.0	(9.0)
Other expenditure	5 614 304	998 912	17.8	1 401 455	25	2 400 367	42.8	1 190 264	35.9	17.7
Losses	67 255	97 750	145.3	3 105	4.6	100 855	150	5 580	(5.0)	(44.4)
Surplus/(Deficit)	(53 846)	4 928 314		1 742 413		6 670 728		(50 977)		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov and Dist)	8 209 593	1 178 431	14.4	1 563 314	19	2 741 745	33.4	1 211 666	20.5	29.0
Transfers and subsidies - capital (monetary alloc)(Departm Agencies,HH,PE,PC,..)	71 089	86 997	122.4	64 288	90.4	151 285	212.8	9 653	42.8	566.0
Transfers and subsidies - capital (in-kind - all)	2 520	1 508	59.8	10	0.4	1 518	60.2	1 383	39.5	(99.3)
Surplus/(Deficit) after capital transfers and	8 229 356	6 195 250		3 370 026		9 565 276		1 171 725		

Source NT Iqdatabase

- The municipalities in KwaZulu-Natal have generated Operating revenue amounting to R44.5 billion or 61.7 percent of the Approved Budget of R72.1 billion. The revenue generated is above the expected straight line projection of 50 percent as at the end of the second quarter of the 2020/21 financial year.
- Sources of Operating revenue that generated more than 50 percent of their budgeted amounts include *Gains* at R81.5 million or 171 percent, *Transfers and subsidies* at R13.2 billion or 81.1 percent, *Agency services* at R33.7 million or 61.4 percent, *Property rates* at R8.8 billion or 60.9 percent, *Service charges – electricity revenue* at R12.5 billion or 57.9 percent, *Other revenue* at R2.3 billion or 55.5 percent, *Service charges – refuse revenue* at R833.4 million or 53.3 percent and *Service charges – water revenue* at R4.5 billion or 52.7 percent. The fact that municipalities received a significant portion of their Equitable share allocation in the first quarter contributed to the municipalities having generated the highest revenue, in rand value, against *Transfers and subsidies*.
- Fines, penalties and forfeits* generated the lowest revenue at R62.7 million or 17.8 percent as at the end of the second quarter followed by *Interest earned – external investments* at R227 million or 30.9 percent. *Dividends received* of R634 000 were generated which were not budgeted for.
- The municipalities in KwaZulu-Natal have incurred Operating expenditure of R37.8 billion or 52.4 percent of the Total budgeted expenditure of R72.2 billion. The Operating expenditure is above the straight line projection of 50 percent as at the end of the second quarter of the 2020/21 financial year.
- The highest expenditure was on *Bulk purchases* at R13.4 billion or 63.3 percent followed by *Employee related costs* at R11.6 billion or 55.9 percent.
- Significantly low expenditure was reported for *Debt impairment* at R798.2 million or 19.2 percent as at the end of December 2020 against their respective budgets.
- A number of municipalities did not account for *Debt impairment* and *Depreciation and asset impairment* on a monthly basis. This has contributed to the overall low expenditure against the budget as at the end of December 2020.

2.2 Operating Revenue – District Total

Table 2: Operating Revenue per source and per district as at the end of Quarter 2 - 2020/21

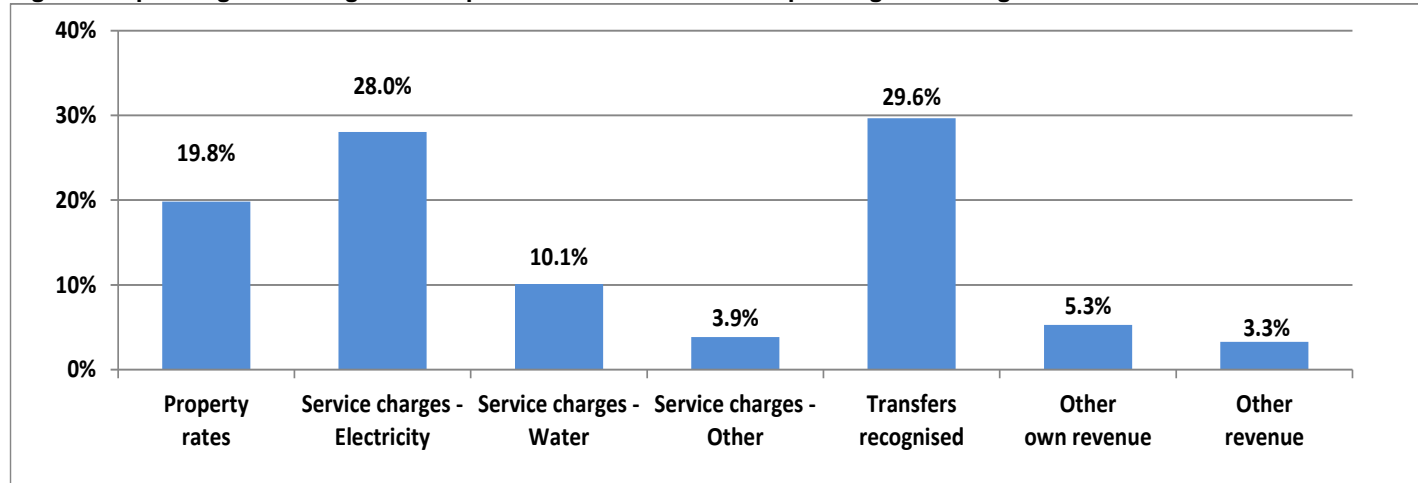
R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail						
					Property rates	Service charges			Transfers recognised - operational	Other own revenue	Other revenue ²
						Electricity revenue	Water revenue	Other ¹			
eThekweni	40 534 246	40 534 246	20 749 797	51.2	4 934 304	6 930 588	2 462 008	781 867	3 052 615	2 119 539	468 877
Ugu	2 949 892	2 949 892	1 809 565	61.3	364 760	84 762	151 002	96 765	1 033 622	15 667	62 987
uMgungundlovu	7 930 637	7 930 637	9 466 208	119.4	1 878 811	3 192 647	1 143 102	413 751	2 130 443	131 116	576 339
uThukela	2 736 900	2 736 900	1 632 554	59.6	210 599	321 025	107 236	32 250	880 530	(1 506)	82 422
uMzinyathi	1 616 138	1 616 138	1 153 056	71.3	102 077	110 198	30 141	22 773	830 239	18 253	39 375
Amajuba	2 574 321	2 574 321	1 403 455	54.5	198 356	333 378	102 886	105 759	629 503	13 297	20 275
Zululand	2 195 938	2 195 938	1 228 057	55.9	180 903	147 647	38 045	43 259	776 623	6 560	35 019
uMkhanyakude	1 442 522	1 442 522	1 072 681	74.4	77 403	2 298	24 834	8 370	922 794	2 096	34 885
King Cetshwayo	5 188 662	5 188 662	3 138 488	60.5	434 705	894 387	312 499	131 750	1 305 037	12 788	47 321
iLembe	3 459 501	3 459 501	1 799 034	52.0	319 303	381 865	90 214	61 878	863 357	26 560	55 857
Harry Gwala	1 493 726	1 493 726	1 012 486	67.8	107 329	65 421	26 641	20 150	756 866	3 244	32 835
Total	72 122 484	72 122 484	44 465 381	61.7	8 808 551	12 464 215	4 488 607	1 718 572	13 181 629	2 347 614	1 456 192

Source: NT Igdatatabase

¹ Include Service charges revenue for Sanitation, Refuse and Other.

² Include Property rates - penalties and collection charges, Rental of facilities and equipment, Interest earned on external investments & outstanding debtors, Dividends received, Fines, Licences and permits, Agency services and Gains on disposal of PPE.

Figure 1: Operating Revenue generated per source as a % of Total Operating Revenue generated as at 31 December 2020



- The bulk of the Operating revenue as at the end of the second quarter was generated by the eThekweni Metro at R20.7 billion followed by the uMgungundlovu District at R9.5 billion and the King Cetshwayo District at R3.1 billion
- All districts, including the eThekweni Metro, exceeded the benchmark of 50 percent against their respective Operating revenue budgets for the second quarter. The uMgungundlovu District reported the highest percentage at 119.4 percent or R9.5 billion revenue generated against the Operating revenue budget of R7.9 billion. This is mainly due to the Msunduzi Local Municipality incorrectly reporting R8.1 billion or 136.7 percent against a budget of R5.9 billion as at the end of the second quarter and the uMshwathi Local Municipality reporting R219 million or 133.8 percent against a budget of R163.6 million.
- Transfers recognised - operational* at R13.2 billion or 29.6 percent contributed the most to the total Operating revenue generated followed by *Service charges – electricity revenue* at R12.5 billion or 28 percent and *Property rates* at R8.8 billion or 19.8 percent.
- The eThekweni Metro (14.7 percent), the uMgungundlovu (22.5 percent), King Cetshwayo (41.6 percent) and Amajuba (44.9 percent) Districts are the least dependent on grant funding. The low grant dependency in the uMgungundlovu and King Cetshwayo Districts is mainly due to the high own revenue base in the Msunduzi and uMhlathuze Local Municipalities within the districts.
- The Ugu, uMkhanyakude, Harry Gwala and Zululand Districts generated the bulk portion of their own Operating revenue from *Property rates*. On the other hand, the eThekweni Metro and the King Cetshwayo, uMgungundlovu, Amajuba, uThukela and iLembe Districts generated the highest portion of their own operating revenue on *Service charges-electricity*.
- Excluding eThekweni Metro (R6.9 billion), the uMgungundlovu District (R3.2 billion) contributed the most towards the *Service charges-electricity* revenue while the uMkhanyakude District (R2.3 million) contributed the least towards the revenue for *Service charges-electricity*.
- With the exception of the eThekweni Metro (R2.5 billion), the uMgungundlovu (R1.1 billion) and the King Cetshwayo (R312.5 million) Districts contributed the most towards *Services charges - water* whilst the uMkhanyakude District (R24.8 million) contributed the least to *Services charges - water*.
- It should be noted that of the 54 municipalities within the province, the Mpofana and the uPhongolo Local Municipalities did not submit their monthly data strings for M06 for the 2020/21 financial year.

2.3 Operating Expenditure – District Total

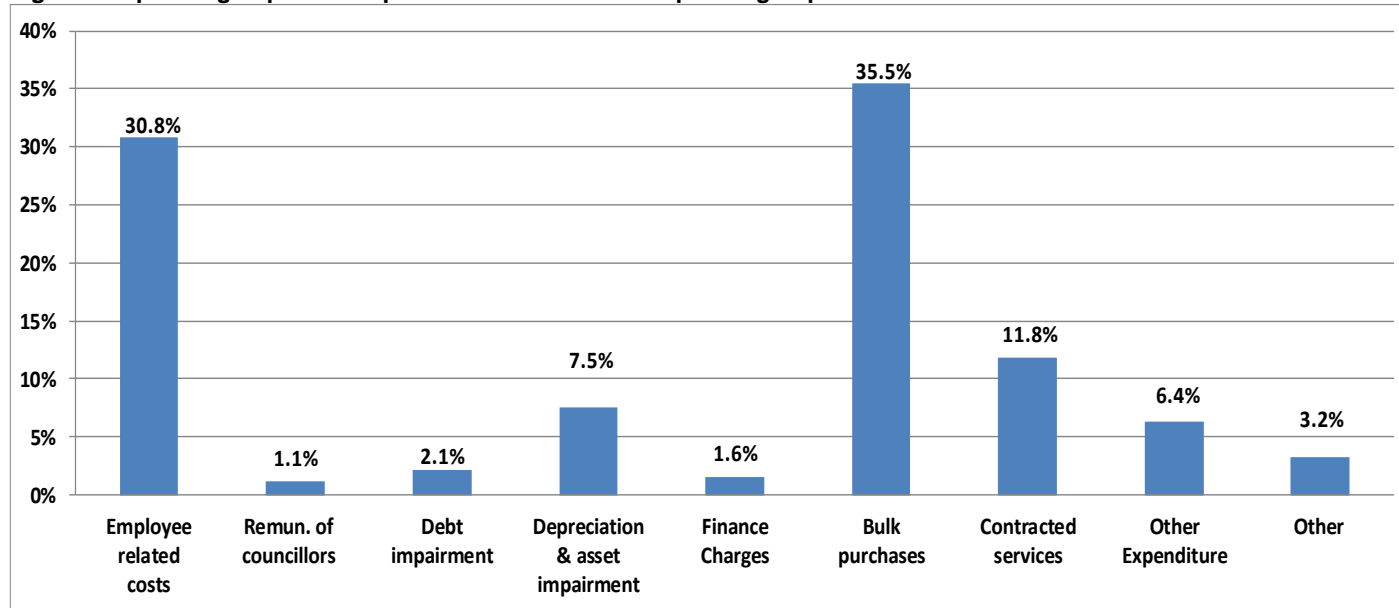
Table 3: Operating Expenditure per item and per district as at the end of Quarter 2 – 2020/21

R000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail								
					Employee related costs	Remun. of councillors	Debt impairment	Depreciation and asset impairment	Finance charges	Bulk purchases	Contracted services	Other expenditure	Other ¹
eThekweni	40 161 811	40 161 811	18 502 737	46.1	5 835 485	62 089	101 009	1 314 559	449 699	7 058 459	2 019 498	987 264	674 675
Ugu	3 148 494	3 148 494	1 176 405	37.4	548 536	40 277	4 951	68 005	4 809	123 985	182 974	176 894	25 975
uMgungundlovu	7 435 437	7 435 437	9 071 296	122.0	2 200 324	99 844	547 678	713 423	66 893	4 057 962	880 558	272 061	232 554
uThukela	2 809 867	2 809 867	920 236	32.8	410 959	24 839	4 544	31 578	826	217 459	91 725	108 899	29 408
uMzinyathi	1 587 922	1 587 922	642 874	40.5	221 268	15 106	115	19 112	2 548	105 914	128 979	103 821	46 011
Amajuba	2 925 498	2 925 498	1 106 858	37.8	309 943	19 830	25 118	173 099	24 277	263 303	210 302	75 187	5 799
Zululand	2 145 179	2 145 179	1 057 239	49.3	382 522	35 369	19 270	55 809	6 747	190 883	221 903	102 622	42 113
uMkhanyakude	1 475 355	1 475 355	638 949	43.3	244 806	24 639	7 925	32 925	871	79 389	104 088	115 008	29 298
King Cetshwayo	5 349 073	5 349 073	2 534 844	47.4	738 402	47 191	69 513	266 999	29 346	764 843	310 104	233 039	75 406
iLembe	3 472 349	3 472 349	1 478 480	42.6	445 509	34 353	14 320	114 890	13 461	470 446	195 153	147 834	42 514
Harry Gwala	1 665 346	1 665 346	664 734	39.9	297 822	26 948	3 778	50 445	368	73 286	115 483	77 738	18 867
Total	72 176 330	72 176 330	37 794 653	52.4	11 635 576	430 485	798 221	2 840 843	599 845	13 405 929	4 460 767	2 400 367	1 222 620

Source NT Igdatabase

¹ Include Other Materials, Transfers and grants and Loss on disposal of PPE.

Figure 2: Operating Expenditure per item as a % of Total Operating Expenditure as at 31 December 2020



- With the exception of the uMgungundlovu District (122 percent), all districts in the province, as well as the eThekweni Metro (46.1 percent), reported Operating expenditure of below 50 percent as at the end of the second quarter. The districts that reported the least expenditure as at the end of the second quarter are the uThukela (32.8 percent), the Ugu (37.4 percent), the Amajuba (37.8 percent) and the Harry Gwala (39.9 percent) Districts.

- The uMgungundlovu District reflected a 122 percent spending rate due to the Msunduzi Local Municipality incorrectly reporting expenditure of R8.2 billion or 148.6 percent against a budget of R5.5 billion.

- The majority of municipalities (31) in the province have not reported against *Debt impairment*. Similarly, 19 municipalities within the province did not report expenditure against *Depreciation and asset impairment*, thus understating the Total operating expenditure as at 31 December 2020.

- The Amajuba District Municipality (12.8 percent) as well as the Nquthu Local Municipality (19.5 percent) and the Nkandla Local Municipality (25.3 percent) reported the least Operating expenditure.

- Bulk purchases* and *Employee related costs* contributed the most towards the total Operating expenditure at R13.4 billion or 35.5 percent and R11.6 billion or 30.8 percent respectively. It is expected that *Bulk purchases* will contribute the most considering that revenue from Trading services, namely, *Service charges – electricity* also contributed significantly towards total Operating revenue.

2.4 Repairs and Maintenance Expenditure – District Total

Table 4: Repairs and Maintenance expenditure per district (Total) as at the end of Quarter 2 – 2020/21

R thousands	Budget	First Quarter		Second Quarter		Year to Date	
	Main Appropriation	Q1 Sept Actual	1st Q as % of Budget	Q2 Dec Actual	2nd Q as % of Budget	Actual Expenditure	Total Expenditure as % of Budget
eThekweni	3 200 066	492 665	15.4	665 523	20.8	1 158 189	36.2
Ugu	183 166	10 248	5.6	30 366	16.6	40 614	22.2
uMgungundlovu	321 337	302 490	94.1	103 371	32.2	405 861	126.3
uThukela	109 943	10 272	9.3	23 358	21.2	33 631	30.6
uMzinyathi	147 161	59 740	40.6	55 508	37.7	115 247	78.3
Amajuba	32 232	7 620	23.6	11 640	36.1	19 260	59.8
Zululand	111 361	18 034	16.2	36 828	33.1	54 862	49.3
uMkhanyakude	68 449	3 222	4.7	6 976	10.2	10 198	14.9
King Cetshwayo	946 002	44 575	4.7	360 847	38.1	405 422	42.9
iLembe	139 382	22 379	16.1	28 900	20.7	51 278	36.8
Harry Gwala	87 278	15 752	18.0	13 764	15.8	29 516	33.8
Total	5 346 377	986 998	18.5	1 337 080	25.0	2 324 077	43.5

Source NT Igdatabase

- Total expenditure to date on *Repairs and maintenance* for all districts as well as the eThekweni Metro was R2.3 billion or 43.5 percent as at 31 December 2020.
- The reported expenditure for *Repairs and maintenance* appears to be understated as the Mpofana Local Municipality did not report on *Repairs and maintenance* as at the end of December 2020 despite having budgeted for *Repairs and maintenance* in the 2020/21 Original Budget.
- The uMgungundlovu, uMzinyathi and Amajuba Districts reported *Repairs and maintenance* expenditure of more than 50 percent of their Original Budgets at 126.3 percent, 78.3 percent and 59.8 percent respectively as at the end of the second quarter of the 2020/21 financial year. The remaining districts in the province, including the eThekweni Metro, reported *Repairs and maintenance* expenditure of below 50 percent. The uMkhanyakude and Ugu Districts reported the least *Repairs and maintenance* expenditure of 14.9 percent and 22.2 percent respectively.
- The high expenditure of 126.3 percent in the uMgungundlovu District was due to the Msunduzi Local Municipality reporting R361.2 million or 162.9 percent against an Original Budget of R221.7 million.
- The consequence of low expenditure on *Repairs and maintenance* for municipalities supplying Electricity and Water is evident in their reported annual Electricity and Water losses.
- Low expenditure on *Repairs and maintenance* may also be an indication that the municipalities lack Asset repairs and maintenance plans and also that they are experiencing cash flow challenges and are therefore unable to spend at appropriate levels on *Repairs and maintenance*, thus impacting negatively on service delivery.

2.5 Capital Revenue and Expenditure - Provincial Total

Table 5: Capital Revenue and Expenditure as at the end of Quarter 2 - 2020/21

R thousands	2020/21						2019/20		Q2 of 2019/20 to Q2 of 2020/21	
	Budget	First Quarter		Second Quarter		Year to Date		Second Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure		Total Expenditure as % of main appropriation
Capital Revenue and Expenditure										
Source of Finance	10 790 522	1 351 988	12.5	2 623 001	24.3	3 974 990	36.8	4 543 982	159.1	(42.3)
National Government	6 897 772	1 748 141	25.3	1 788 809	25.9	3 536 950	51.3	4 134 104	118.8	(56.7)
Provincial Government	1 055 332	14 055	1.3	54 841	5.2	68 895	6.5	29 776	8.5	84.2
District Municipality	3 000	6 784	226.1	-	-	6 784	226.1	-	-	-
Other transfers and grants	29 973	18 850	62.9	8 789	29.3	27 639	92.2	627	28.3	1 301.4
Transfers recognised - capital	7 986 076	1 787 830	22.4	1 852 438	23.2	3 640 268	45.6	4 164 507	110.8	(55.5)
Borrowing	1 230 298	239 798	19.5	109 158	8.9	348 956	28.4	19 034	10.1	473.5
Internally generated funds	1 574 148	(675 640)	(42.9)	661 405	42.0	(14 235)	(0.9)	360 440	603.9	83.5
Capital Expenditure Functional	11 021 103	1 628 943	14.8	2 684 108	24.4	4 313 051	39.1	4 923 529	133.7	(45.5)
Municipal governance and administration	977 888	(353 309)	(36.1)	144 131	14.7	(209 178)	(21.4)	287 280	528.3	(49.8)
Executive and Council	358 760	5 085	1.4	18 106	5.0	23 191	6.5	3 668	5.7	393.6
Finance and administration	618 946	(358 321)	(57.9)	125 775	20.3	(232 546)	(37.6)	283 445	610.7	(55.6)
Internal audit	182	(73)	(40.0)	250	137.3	177	97.2	168	54.6	48.9
Community and Public Safety	2 149 956	126 463	5.9	376 866	17.5	503 328	23.4	200 701	36.0	87.8
Community and Social Services	424 891	15 881	3.7	202 118	47.6	217 998	51.3	71 177	78.2	184.0
Sport And Recreation	330 034	10 694	3.2	79 365	24.0	90 059	27.3	46 662	36.1	70.1
Public Safety	96 695	2 245	2.3	16 811	17.4	19 057	19.7	19 743	42.3	(14.9)
Housing	1 285 323	97 488	7.6	77 040	6.0	174 528	13.6	62 120	12.6	24.0
Health	13 012	154	1.2	1 532	11.8	1 686	13.0	998	7.8	53.6
Economic and Environmental Services	3 111 846	1 029 688	33.1	965 651	31.0	1 995 339	64.1	610 703	52.8	58.1
Planning and Development	819 397	52 356	6.4	197 650	24.1	250 006	30.5	212 595	64.7	(7.0)
Road Transport	2 285 549	972 454	42.5	765 398	33.5	1 737 852	76.0	397 735	49.9	92.4
Environmental Protection	6 899	4 878	70.7	2 604	37.7	7 482	108.4	374	16.5	596.3
Trading Services	4 750 948	809 596	17.0	1 190 098	25.0	1 999 694	42.1	3 821 245	111.9	(68.9)
Energy sources	842 235	24 593	2.9	132 817	15.8	157 410	18.7	136 636	53.2	(2.8)
Water Management	2 933 600	704 344	24.0	822 162	28.0	1 526 506	52.0	2 621 590	113.6	(68.6)
Waste Water Management	777 235	37 729	4.9	222 797	28.7	260 526	33.5	1 049 710	168.7	(78.8)
Waste Management	197 878	42 930	21.7	12 323	6.2	55 253	27.9	13 309	41.8	(7.4)
Other	30 466	16 505	54.2	7 362	24.2	23 867	78.3	3 599	22.7	104.6

Source NT Igdatabase

- The highest contributor towards total Capital sources of finance as at the end of quarter two was *National Government* transfers at R3.5 billion followed, by *Borrowing* at R349 million. *Provincial Government* transfers, *District Municipalities* and *Other transfers and grants* with a total of R103.3 million made up the remaining Capital Sources of Finance. Capital sources of finance of R1.4 billion is understated as *Internally generated funds* was incorrectly reported as negative R14.2 million.
- At the end of the second quarter, the municipalities in the province were expected to have spent a straight line projection of 50 percent of the R11 billion Budget for Capital expenditure. However, the municipalities attained R4.3 billion or 39.1 percent which is below the 50 percent straight line projection.
- The bulk of the Capital expenditure as at the end of the second quarter was on *Trading services* at R2 billion or 46.4 percent of the total Capital expenditure of which, R1.5 billion was spent on *Water Management*.
- Economic and Environmental Services* is the second largest contributor towards the Capital expenditure amounting to R1.995 billion or 46.3 percent of the total Capital Expenditure of which, the R1.7 billion was spent on *Road Transport*.
- Community and Public Safety* contributed R503.3 million or 11.7 percent towards the total Capital expenditure of which, the R218 million was spent on *Community & Social Services* and R174.5 million was spent on *Housing* of the expenditure.
- Other* contributed the least towards the total Capital expenditure at R23.9 million or 0.6 percent, whilst *Municipal Governance and Administration* reflected negative spending of R209.2 million as at the end of second quarter.

2.6 Capital Revenue - District Total

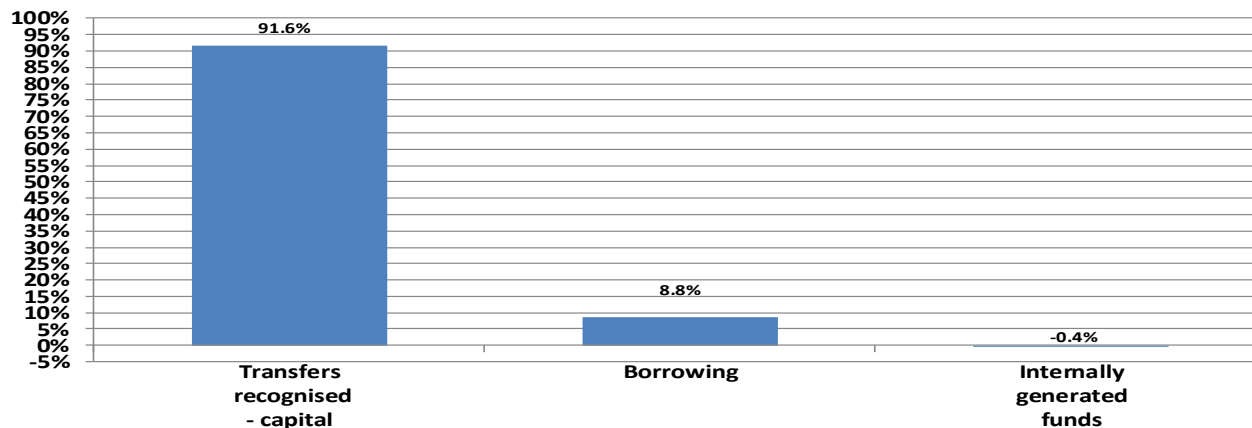
Table 6: Capital Revenue (Source of Finance) per district as at the end of Quarter 2 – 20120/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail			
					Transfers recognised - capital ¹	Borrowing	Internally generated funds	Public contr. and donations
eThekwini	4 792 769	4 792 769	1 281 749	26.7	642 215	234 416	405 119	-
Ugu	562 248	562 248	159 614	28.4	124 385	-	35 229	-
uMgungundlovu	898 205	898 205	2 456 891	273.5	2 349 885	86 183	20 823	-
uThukela	409 582	409 582	127 150	31.0	124 178	-	2 972	-
uMzinyathi	504 547	504 547	259 896	51.5	191 661	-	68 235	-
Amajuba	160 290	160 290	151 938	94.8	113 027	-	38 911	-
Zululand	638 699	638 699	35 125	5.5	174 426	-	(139 301)	-
uMkhanyakude	453 195	453 195	(175 189)	(38.7)	121 220	-	(296 409)	-
King Cetshwayo	1 094 027	1 094 027	(550 825)	(50.3)	(410 973)	30 254	(170 106)	-
iLembe	653 373	653 373	(30 672)	(4.7)	15 653	(1 897)	(44 428)	-
Harry Gwala	623 587	623 587	259 314	41.6	194 593	-	64 721	-
Total	10 790 522	10 790 522	3 974 990	36.8	3 640 268	348 956	(14 235)	-

Source NT Igdatabase

¹ Include National Government, Provincial Government, District Municipality and Other transfers and grants.

Figure 3: Capital Revenue (Source of Funding) per source as % of Total 'Source of Finance' as at 31 December 2020



- An overview of the Capital source of funding by district shows that municipalities in the province are dependent on grants to fund their Capital expenditure as *Transfers recognised – capital* contributed 91.6 percent or R3.6 billion of the total Capital source of funding of R3.97 billion as at the end of the second quarter.
- The second largest Source of funding was *Borrowings* at 8.8 percent or R349 million. *Internally generated funds* on the other hand were reported at a negative R14.2 million.
- The fact that the Mthonjaneni (negative R447.6 million), Nkandla (negative R410.3 million), Big Five Hlabisa (negative R326.3 million), eDumbe (negative R264.7 million), Mandeni (negative R238.7 million), uBuhlebezwe (negative R27 million), iMpendle negative R20.9 million) and Ulundi (negative R797 000) Local Municipalities reported negative amounts contributed to the province achieving below the straight line projection of 50 percent as at 31 December 2020. The incorrect reporting is mainly due to challenges with the financial systems and incorrect use of the mSCOA segment.
- The uMgungundlovu District with R2.5 billion contributed the most to the total Capital revenue of R3.97 billion. The district mainly financed its Capital expenditure from *Transfers recognised – capital* of R2.3 billion which far exceeds the district's Budget of R898.2 million.
- Notwithstanding the municipalities that reported negative capital revenue as at 31 December 2020, the Zululand District contributed the least to total Capital revenue amounting to R35.1 million which is mainly due to the eDumbe Local Municipality incorrectly reporting negative Capital revenue of R264.7 million.

2.7 Capital Expenditure - District Total

Table 7: Capital Expenditure per item and per district as at the end of Quarter 2 – 2020/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail									
					Governance and Admin. ¹	Community and Public Safety			Economic and Environmental Services		Trading Services			Other
						Housing	Health	Other ²	Road Transport	Other ³	Electricity	Water and Waste Water Mgt.	Waste Mgt	
eThekweni	4 792 769	4 792 769	1 281 749	26.7	97 652	105 309	1 686	95 112	583 103	113 990	134 872	133 224	7 894	8 907
Ugu	570 651	570 651	163 767	28.7	(2 932)	0	-	32 308	51 101	34 565	86	46 255	518	1 866
uMgungundlovu	899 425	899 425	2 784 454	309.6	141 685	69 868	-	477 337	1 319 874	61 779	154 376	495 946	50 495	13 094
uThukela	454 832	454 832	163 061	35.9	401	-	-	2 730	17 667	29 753	4 624	107 707	179	-
uMzinyathi	504 547	504 547	259 896	51.5	14 728	-	-	35 993	38 906	15 135	5 953	149 102	79	-
Amajuba	186 083	186 083	150 786	81.0	578	129	-	1 701	25 897	35 258	2 095	84 959	169	-
Zululand	654 596	654 596	18 964	2.9	(152 402)	(2 988)	-	7 191	21 511	(55 575)	(51 811)	251 298	1 740	-
uMkhanyakude	510 602	510 602	(179 488)	(35.2)	(79 941)	-	-	(114 611)	(90 443)	10 094	1 619	93 638	157	-
King Cetshwayo	1 142 099	1 142 099	(559 608)	(49.0)	(177 325)	-	-	(164 117)	(238 097)	(24 109)	(107 687)	164 770	(13 043)	-
iLembe	676 245	676 245	(30 547)	(4.5)	(54 469)	180	-	(64 051)	(24 752)	15 173	(7 733)	103 730	1 375	-
Harry Gwala	629 255	629 255	260 016	41.3	2 847	2 030	-	17 522	33 252	21 256	21 017	156 402	5 689	-
Total	11 021 103	11 021 103	4 313 051	39.1	(209 178)	174 528	1 686	327 114	1 738 019	257 320	157 410	1 787 032	55 253	23 867

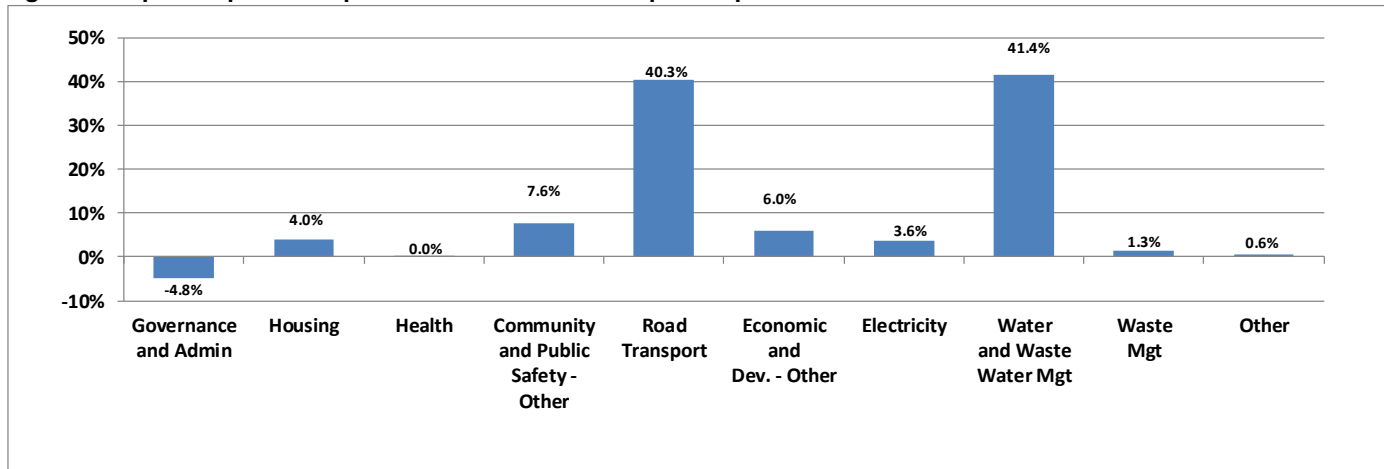
Source NT Igdatabase

1 Include Executive & Council, Finance and administration and Internal audit.

2 Include Community and Social Services, Sports and Recreation and Public Safety.

3 Include Planning and Development and Environmental Protection.

Figure 4: Capital Expenditure per item as a % of Total Capital Expenditure as at 31 December 2020



- As at the end of the second quarter of the 2020/21 financial year, municipalities in the province spent R4.3 billion or 39.1 percent which is significantly below the straight line projection of 50 percent as at 31 December 2020. As noted under Capital revenue, the following districts reported negative Capital expenditure which negatively impacted on the performance as at the end of the second quarter; King Cetshwayo (negative R559.6 million); uMkhanyakude (negative R179.5 million); and iLembe (negative R30.5 million) Districts.

- The bulk of the Capital expenditure was reported on *Water and Waste Water Mgt.* at R1.8 billion or 41.4 percent. The uMgungundlovu District recorded the highest expenditure of R495.9 million against the category and the Ugu District recorded the least expenditure of R46.3 million.

- The second largest Capital expenditure was reported against *Road Transport* at R1.7 billion or 40.3 percent. The uMgungundlovu District recorded the largest spending against the category with R1.3 billion and uThukela District reported the least expenditure of R17.7 million.

- The least Capital expenditure of R1.7 million or 0.04 percent of total Capital expenditure was reported on *Health*. The only spending on the *Health* was by the eThekweni Metro.

- The bulk of the *Electricity* Capital expenditure is from the uMgungundlovu District and the eThekweni Metro with amounts of R154.4 million and R134.9 million respectively.

- The main contributors to the under-spending on the Capital budget is incorrect reporting by the majority of municipalities due to the data strings extracting incorrect expenditure when uploaded to the National Treasury LG Upload Portal. The municipalities stated that they are engaging with their service providers in order to correct their data strings.

2.8 Comparatives: Capital vs Operating Expenditure

Figure 5: Comparatives: Capital vs Operating – as at the end of 31 December 2020

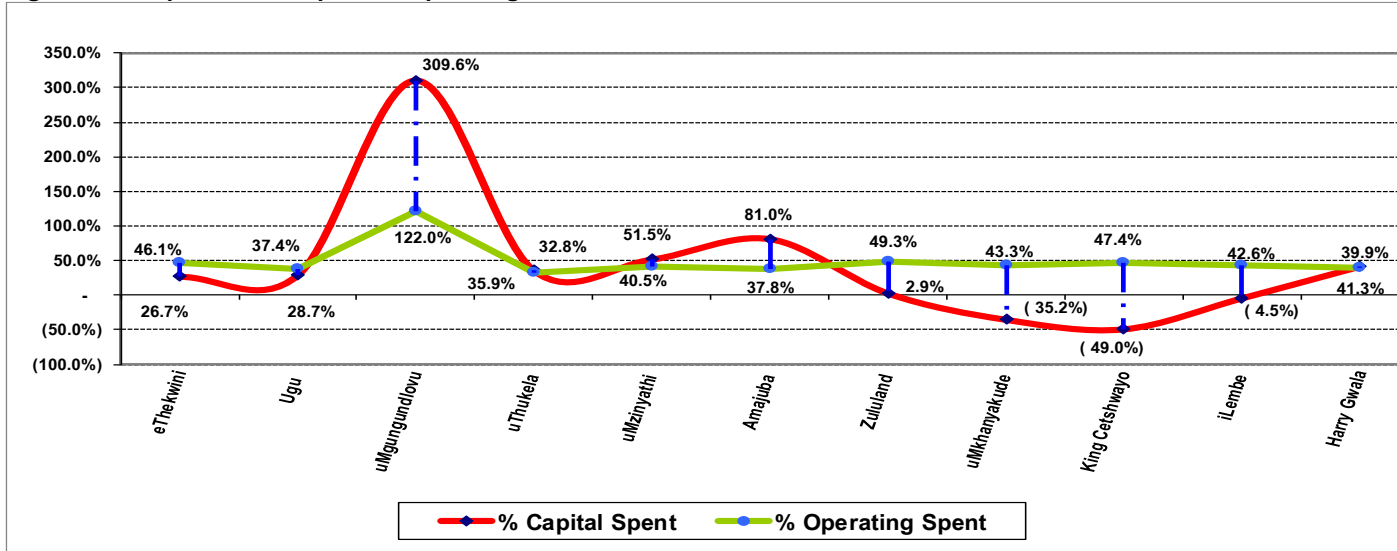
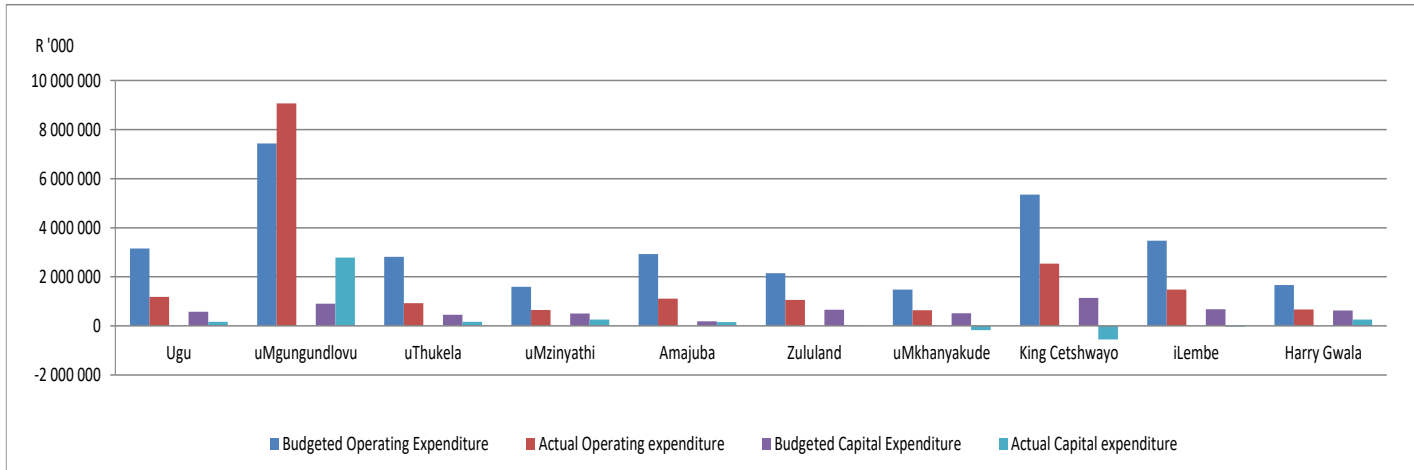


Figure 6: Budgeted/Actual Operating expenditure vs Budgeted/Actual Capital expenditure as at the end of 31 December 2020



- Figure 5 (including the three non-delegated municipalities) shows the comparatives of the Capital expenditure as a percentage of the Capital expenditure budget together with Operating expenditure as a percentage of the Operating expenditure budget as at the end of the second quarter of the 2020/21 financial year.

- With the exception of the uMgungundlovu, uThukela, uMzinyathi, Amajuba and Harry Gwala Districts, the comparatives between the average Capital expenditure and average Operating expenditure indicate that all other districts including eThekweni Metro have spent more of their Operating expenditure budgets as compared to their Capital expenditure budgets. A significant gap of 187.6 percent between these categories of expenditure was noted for the uMgungundlovu District due to the error in reporting by the Msunduzi Local Municipality.

- However, the percentages reported are distorted as the main contributors to the high Capital expenditure is incorrect reporting by the majority of municipalities.

- With the exception of the uMgungundlovu District (122 percent) as a results of incorrect reporting by Msunduzi Local Municipality, no other district including the eThekweni Metro spent 50 percent or more of their Operating expenditure budget for the period under review. The uThukela District reported the lowest Operating expenditure of 32.8 percent against their budget.

- The fact that the Nkandla (negative 4 176.2 percent), Mthonjaneni (negative 1 127.5 percent), Big Five Hlabisa (negative 985.8 percent), eDumbe (negative 784.9 percent), Mandeni (negative 404.5 percent), uBuhlebezwe (negative 45.5 percent), iMpindle Local Municipalities (negative 213.4 percent) and Ulundi (negative 2.2 percent) Local Municipalities reported negative percent of Capital expenditure against their Capital expenditure budgets as at 31 December 2020.

- The uMzinyathi District with 51.5 percent and 40.5 percent expenditure against their Capital and Operating budgets is the only district that is close to the benchmark of 50 percent in both these categories of spending.

- Figure 6 shows an overview of actual Operating expenditure against the Operating budget and the actual Capital expenditure against the Capital budget.

2.9 Debtors Age Analysis – Provincial Total

Table 8: Debtors Age Analysis as at the end of Quarter 2 - 2020/21

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written Off to		Impairment -Bad Debts to Council	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	908 427	7.8	455 140	3.9	396 894	3.4	9 883 880	84.9	11 644 340	35.9	5 767 127	49.5	33 708	0.3
Trade and Other Receivables from Exchange Transactions - Electricity	1 291 840	34.1	394 490	10.4	187 225	4.9	1 916 537	50.6	3 790 092	11.7	509 488	13.4	-	-
Receivables from Non-exchange Transactions - Property Rates	814 704	9.8	366 086	4.4	264 905	3.2	6 876 315	82.6	8 322 010	25.6	2 370 103	28.5	-	-
Receivables from Exchange Transactions - Waste Water Management	156 818	7.0	88 383	3.9	71 880	3.2	1 925 344	85.9	2 242 424	6.9	1 111 678	49.6	5 110	0.2
Receivables from Exchange Transactions - Waste Management	96 347	6.9	50 736	3.6	38 356	2.7	1 220 986	86.8	1 406 424	4.3	615 152	43.7	-	-
Receivables from Exchange Transactions - Property Rental Debtors	18 221	5.6	10 991	3.4	11 451	3.5	283 741	87.5	324 403	1.0	196 887	60.7	-	-
Interest on Arrear Debtor Accounts	87 231	2.9	57 901	1.9	53 064	1.8	2 802 942	93.4	3 001 139	9.2	1 226 271	40.9	1 264	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(130 365)	(7.5)	24 144	1.4	22 059	1.3	1 821 905	104.8	1 737 743	5.4	1 917 969	110.4	1 264	0.1
Total By Income Source	3 243 222	10.0	1 447 871	4.5	1 045 833	3.2	26 731 649	82.3	32 468 576	100.0	13 714 675	42.2	41 346	0.1

Source NT Igdatabase

Table 9: Debtors Age analysis by Customer Group as at the end of Quarter 2 - 2020/21

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written Off to		Impairment -Bad Debts to Council	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Customer Group														
Organs of State	220 740	8.7	145 322	5.8	105 240	4.2	2 053 538	81.3	2 524 841	7.8	446 796	17.7	-	-
Commercial	1 555 793	22.6	468 231	6.8	259 799	3.8	4 590 283	66.8	6 874 106	21.2	1 307 160	19.0	1 264	-
Households	1 518 516	6.8	799 367	3.6	659 512	2.9	19 401 912	86.7	22 379 307	68.9	11 118 286	49.7	40 082	0.2
Other	(51 827)	(7.5)	34 950	5.1	21 282	3.1	685 917	99.4	690 322	2.1	842 433	122.0	-	-
Total By Customer Group	3 243 222	10.0	1 447 871	4.5	1 045 833	3.2	26 731 649	82.3	32 468 576	100.0	13 714 675	42.2	41 346	0.1

Source NT Igdatabase

- The Debtors Age Analysis in Table 8 reflects that the total amount of debt owed to all municipalities in the KwaZulu-Natal Province was R32.5 billion as at 31 December 2020.
- The Debtors Age Analysis by Income Source reflects that a significant amount of R11.6 billion or 35.9 percent of the debt owed relates to *Water* followed by *Property rates* at R8.3 billion or 25.6 percent and *Electricity* at R3.8 billion or 11.7 percent.
- A negative R130.4 million was reflected under the 0-30 Days category against *Other* which could be an indication that municipalities are not allocating the receipts from Debtors accurately or it could relate to challenges in the municipalities' financial systems.
- The Debtors Age Analysis by Customer Group in Table 9 reflects an amount of R22.4 billion or 68.9 percent of the total debt is owed by *Households* followed by *Commercial* with an amount of R6.9 billion or 21.2 percent, *Organs of State* at R2.5 billion or 7.8 percent and *Other* at R690.3 million or 2.1 percent.
- The high level of debt owed to municipalities, which is continually increasing, is noted with concern as the municipalities should be implementing effective debt management and credit control measures in order to improve their Debtors collection rates, which in turn will have a positive impact on their cash flows.
- Municipalities are urged to ensure that they submit all their data strings for the monthly MFMA Section 71 reports. Information presented therein should also be credible to prevent distorted reporting at provincial and national levels. The monthly MFMA Section 71 reporting is critical in presenting the monthly performance against the budget, therefore all municipalities should strive to also ensure timely reporting.

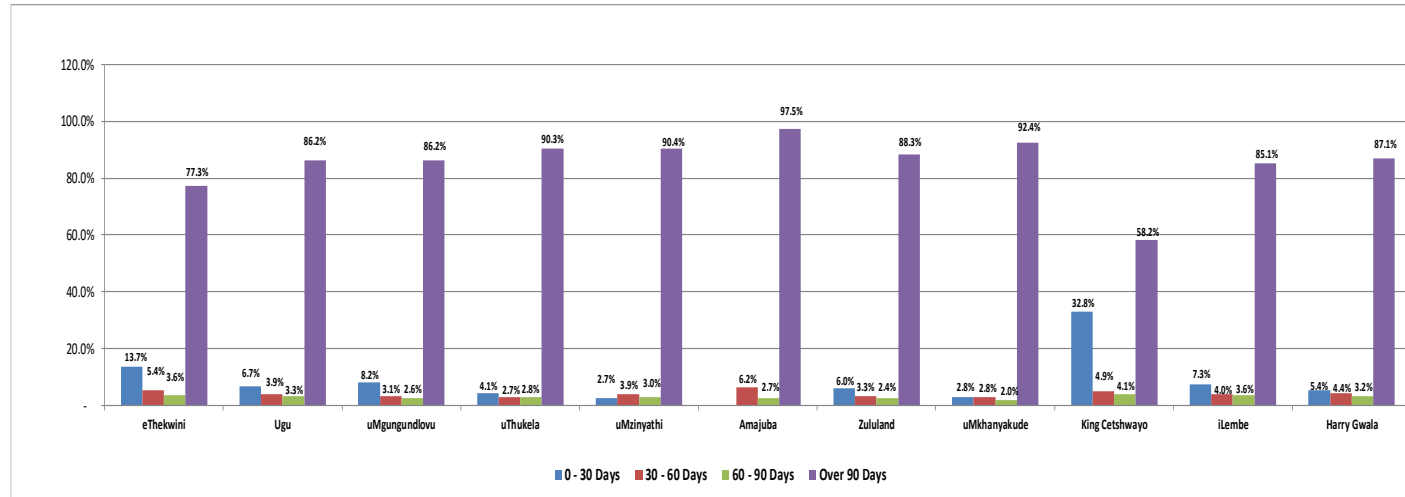
2.10 Debtors Age Analysis – District Total

Table 10: Debtors Age Analysis per district (Total) as at the end of Quarter 2 - 2020/21

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	2 015 726	13.7	787 772	5.4	534 912	3.6	11 372 438	77.3	14 710 849
Ugu	189 087	6.7	109 657	3.9	92 847	3.3	2 442 909	86.2	2 834 499
uMgungundlovu	506 686	8.2	189 918	3.1	158 468	2.6	5 348 302	86.2	6 203 375
uThukela	90 063	4.1	60 078	2.7	61 995	2.8	1 974 473	90.3	2 186 608
uMzinyathi	16 946	2.7	25 072	3.9	19 158	3.0	575 130	90.4	636 307
Amajuba	(116 430)	(6.3)	113 792	6.2	49 021	2.7	1 798 614	97.5	1 844 996
Zululand	44 323	6.0	24 527	3.3	17 430	2.4	652 800	88.3	739 080
uMkhanyakude	17 780	2.8	17 432	2.8	12 422	2.0	577 088	92.4	624 722
King Cetshwayo	374 634	32.8	55 639	4.9	46 251	4.1	664 812	58.2	1 141 336
iLembe	79 158	7.3	43 453	4.0	38 526	3.6	917 769	85.1	1 078 907
Harry Gwala	25 247	5.4	20 531	4.4	14 804	3.2	407 315	87.1	467 896
Total	3 243 222	10.0	1 447 871	4.5	1 045 833	3.2	26 731 649	82.3	32 468 576

Source NT Igdatabase

Figure 7: Debtors Age Analysis per district as at the end of 31 December 2020



- Of the total amount of R32.5 billion owed to municipalities, the eThekwini Metro reported the highest outstanding Debtors at R14.7 billion or 45.3 percent which is followed by the uMgungundlovu District at R6.2 billion or 19.1 percent, the Ugu District at R2.8 billion or 8.7 percent and the uThukela District at R2.2 billion or 6.7 percent.
- The Harry Gwala District reported the least Debtors of R467.9 million or 1.4 percent of total Debtors.
- It should however be noted that the Richmond and the uPhongolo Local Municipalities did not report Debtors for the period under review. As a result, the Debtors as at 31 December 2020 may be understated.
- All the districts, including the eThekwini Metro, reported their highest outstanding Debtors in the *Over 90 days* category. The King Cetshwayo District reported the least Debtors of 58.2 percent in this category.
- A substantial amount of the total Debtors of R26.7 billion or 82.3 percent has been outstanding for *Over 90 Days*. Debt collection efforts must focus on these long outstanding debts however, some of these Debtors may still need to be written off as they may have arisen as a result of incorrect billing of indigent customers.
- Municipalities are encouraged to update their Indigent registers to determine households who qualify for rebates and discounts with the aim of ensuring that Debtors are accurately billed and reported on.

2.11 Debtors by Customer Group – District Total

Table 11: Debtors by Customer Group (Total) as at the end of Quarter 2 - 2020/21

R'000	Organs of State		Commercial		Household		Other		Total
	Total	%	Total	%	Total	%	Total	%	
eThekweni	923 910	6.3	3 791 340	25.8	9 962 457	67.7	33 142	0.2	14 710 849
Ugu	225 597	8.0	471 736	16.6	2 128 705	75.1	8 461	0.3	2 834 499
uMgungundlovu	327 672	5.3	887 078	14.3	4 607 229	74.3	381 397	6.1	6 203 375
uThukela	288 792	13.2	396 739	18.1	1 479 695	67.7	21 382	1.0	2 186 608
uMzinyathi	114 534	18.0	82 711	13.0	416 778	65.5	22 283	3.5	636 307
Amajuba	60 976	3.3	139 661	7.6	1 586 510	86.0	57 849	3.1	1 844 996
Zululand	146 942	19.9	116 819	15.8	421 485	57.0	53 834	7.3	739 080
uMkhanyakude	170 741	27.3	161 902	25.9	265 346	42.5	26 733	4.3	624 722
King Cetshwayo	104 475	9.2	560 286	49.1	426 740	37.4	49 834	4.4	1 141 336
iLembe	80 619	7.5	201 014	18.6	787 117	73.0	10 156	0.9	1 078 907
Harry Gwala	80 582	17.2	64 820	13.9	297 244	63.5	25 250	5.4	467 896
Total	2 524 841	7.8	6 874 106	21.2	22 379 307	68.9	690 322	2.1	32 468 576

Source NT Igdatabase

Figure 8: Debtors Age Analysis as at 31 December 2020

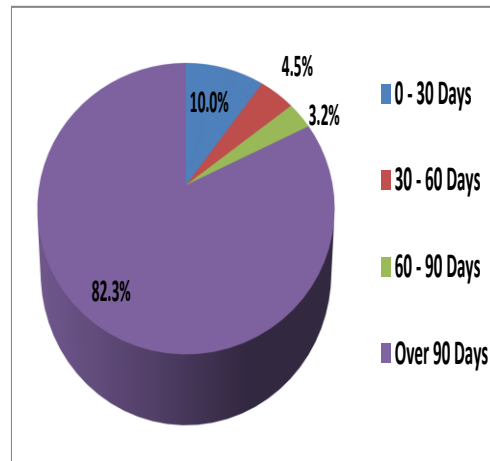


Figure 9: Debtors by Customer Group as at 31 December 2020

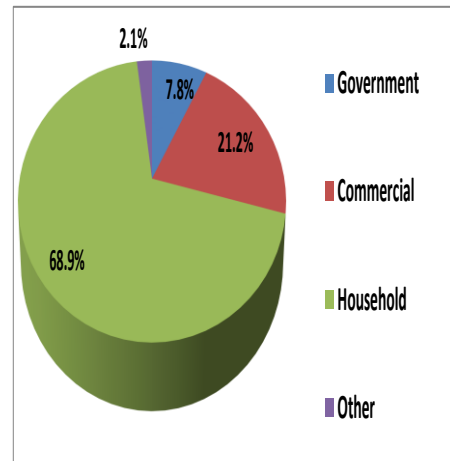
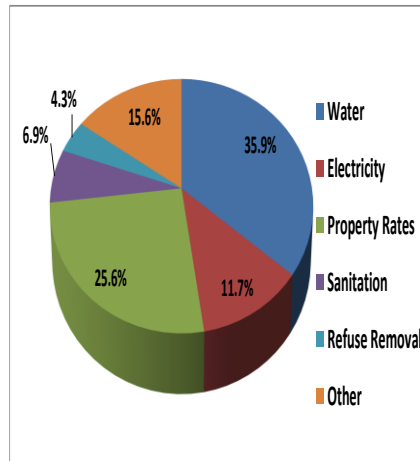


Figure 10: Debtors by Income Source as at 31 December 2020



- At the end of December 2020, *Household* Debtors contributed the most towards debt owed to municipalities with R22.4 billion or 68.9 percent of the total debt.
- The eThekweni Metro and the uMgungundlovu, Ugu and Amajuba Districts contributed the most towards *Household* Debtors with amounts of R10 billion, R4.6 billion, R2.1 billion and R1.6 billion respectively.
- As at the end of the second quarter of the 2020/21 financial year, municipalities were owed a total of R6.9 billion by *Commercial* Debtors. The eThekweni Metro and the uMgungundlovu, King Cetshwayo and Ugu Districts contributed the most towards total debt owed by *Commercial* Debtors with R3.8 billion, R887.1 million, R560.3 million and R471.7 million respectively.
- Municipalities were owed a combined total of R2.5 billion or 7.8 percent by *Organs of State*. The eThekweni Metro and the uMgungundlovu, uThukela and Ugu Districts had significant debt owed by *Organs of State* which amounted to R923.9 million, R327.7 million, R288.8 million and R225.6 million respectively.
- Other* Debtors amounted to R690.3 million or 2.1 percent, constituting the lowest customer category with outstanding debt.
- Municipalities are urged to ensure that their Debtors records are correctly reflected according to Customer Group in order to implement proper strategies for collecting the debts from targeted groups.

2.12 Creditors Age Analysis – Provincial Total

Table 12: Creditors Age Analysis by Expenditure type as at the end of Quarter 2 - 2020/21

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	995 917	87.6	2 930	0.3	(1 678)	(0.1)	139 262	12.3	1 136 430	19.4
Bulk Water	494 487	37.8	103 043	7.9	29 535	2.3	681 463	52.1	1 308 528	22.4
PAYE deductions	156 820	100.0	5	-	(5)	-	-	-	156 820	2.7
VAT (output less input)	195 402	100.0	-	-	-	-	-	-	195 402	3.3
Pensions / Retirement	158 738	100.0	-	-	-	-	6	-	158 744	2.7
Loan repayments	17 301	2.2	(1 667)	(0.2)	50 269	6.5	3 802	0.5	769 696	13.2
Trade Creditors	309 375	20.5	103 820	6.9	53 940	3.6	854 760	56.6	1 511 204	25.9
Auditor-General	1 274	39.5	711	22.1	241	7.5	997	30.9	3 223	0.1
Other	469 987	77.6	32 126	5.3	14 076	2.3	89 317	14.8	605 506	10.4
Total	2 799 302	47.9	240 968	4.1	146 378	2.5	2 658 905	45.5	5 845 553	100.0

Source NT Igdatabase

Figure 11: Creditors Age Analysis as at 31 December 2020

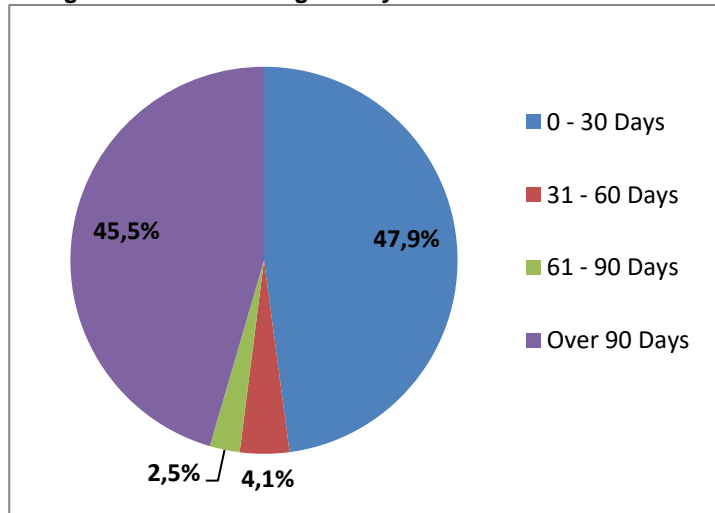
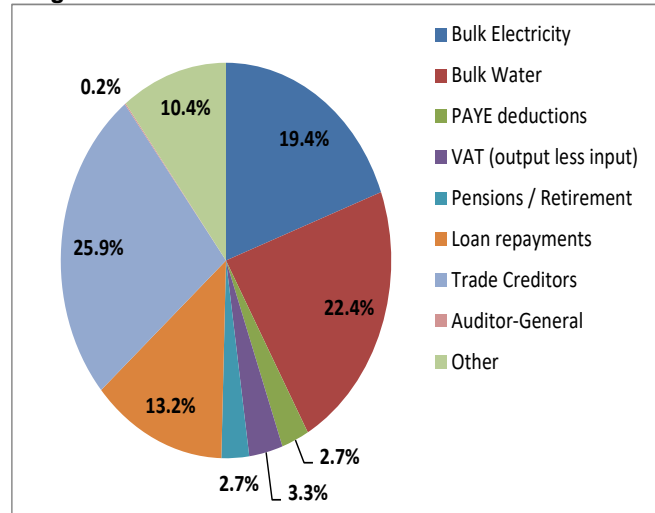


Figure 12: Creditors as at 31 December 2020



- As at the end of the second quarter of the 2020/21 financial year, the outstanding Creditors balance for the KwaZulu-Natal municipalities amounted to R5.8 billion, with an outstanding balance of R2.8 billion or 47.9 percent due within the 0-30 Days period. Creditors amounting to R3 billion or 52.1 percent were in arrears for more than 30 Days which is in contravention of Section 65(2)(e) of the MFMA which requires that the outstanding debt amount be paid within 30 days of receipt of the invoice or statement.
- In some cases, unpaid invoices and Creditors in the over 30 Days period are due to disputes with suppliers. However, in other cases, it could be an indication of cash flow challenges being experienced by municipalities. Failure to pay Creditors within 30 Days raises a serious concern for KZN Provincial Treasury as municipalities may be liable for penalties and interest charges as a result thereof, which is tantamount to fruitless and wasteful expenditure.
- The majority of the outstanding Creditors is within the *Trade Creditors, Bulk Water and Bulk Electricity* categories with amounts of R1.5 billion (25.9 percent), R1.3 billion (22.4 percent) and R1.1 billion (19.4 percent) respectively.
- The Newcastle Local Municipality reported owing Eskom nil as per the MFMA Section 71 report for *Bulk Electricity* whilst the MFMA Section 41 report reflects an amount owing to Eskom of R288.6 million of which, R252.6 million was reflected as overdue. The municipality concluded the payment arrangement in July 2020 with a monthly instalment arrangement of R5.3 million per month. The municipality is currently honouring the payment arrangement.
- The *Bulk electricity* debt owed by the Mpozana Local Municipality as per the MFMA Section 71 report was nil which differed from the MFMA Section 41 report which reflected R196.2 million as at 31 December 2020 of which, R190.4 million was reflected as overdue. The Mpozana Local Municipality was honouring the proposed payment arrangement as at the end of December 2020.
- The *Bulk electricity* debt owed by the Msunduzi Local Municipality as per the MFMA Section 71 report was R198.1 million which differed from the MFMA Section 41 report which reflected R194.5 million as at 31 December 2020 of which, R45.7 million was reflected as overdue. The Msunduzi Local Municipality was honouring the proposed payment arrangement as at the end of December 2020.
- Creditors were not reported by the Mpozana, uMzinga, and uPhongolo Local Municipalities as at the end of the second quarter. Furthermore, the uMshwathi, iMpindle, Nkandla and Ndwedwe Local Municipalities reported negative Creditors balances at the end of the second quarter which suggests that the total Creditors of R5.8 billion reported for the province was understated.

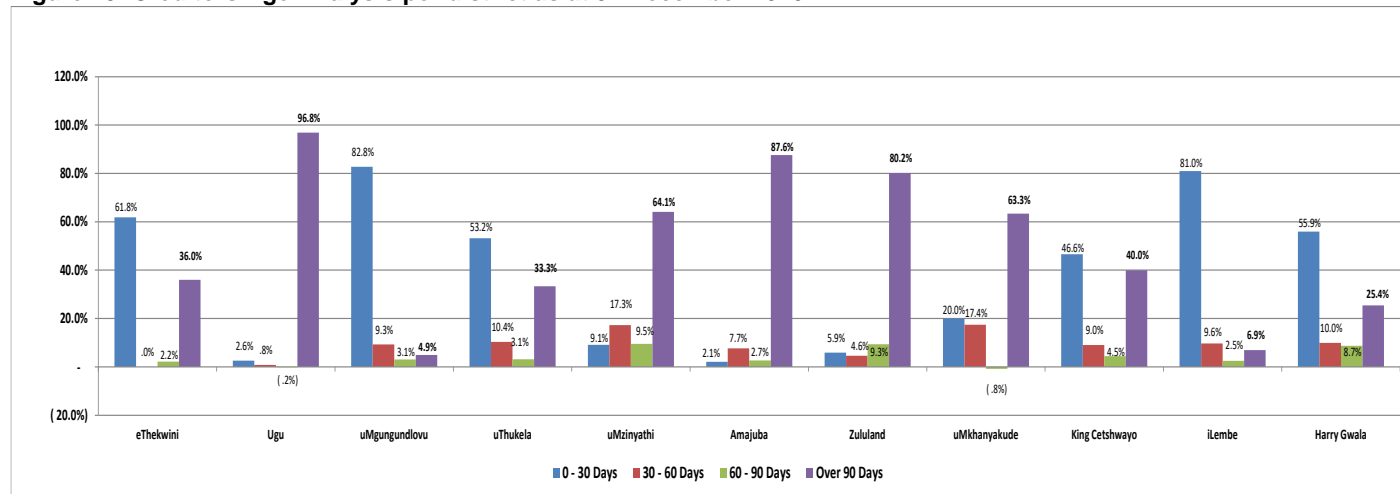
2.13 Creditors Age Analysis – District Total

Table 13: Creditors Age Analysis per district (Total) as at the end of Quarter 2 - 2020/21

R'000	0 - 30 Days		30 - 60 Days		60- 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	1 527 246	61.8	0	0.0	54 259	2.2	889 299	36.0	2 470 805
Ugu	22 199	2.6	6 700	0.8	(1 500)	(0.2)	841 868	96.8	869 266
uMgungundlovu	897 436	82.8	100 325	9.3	33 279	3.1	53 418	4.9	1 084 457
uThukela	48 607	53.2	9 456	10.4	2 844	3.1	30 427	33.3	91 334
uMzinyathi	7 662	9.1	14 565	17.3	8 003	9.5	53 970	64.1	84 200
Amajuba	9 309	2.1	34 724	7.7	12 185	2.7	397 107	87.6	453 325
Zululand	9 817	5.9	7 722	4.6	15 615	9.3	133 979	80.2	167 133
uMkhanyakude	25 153	20.0	21 867	17.4	(1 005)	(0.8)	79 488	63.3	125 502
King Cetshwayo	195 939	46.6	37 921	9.0	18 826	4.5	168 177	40.0	420 863
iLembe	38 573	81.0	4 594	9.6	1 170	2.5	3 289	6.9	47 626
Harry Gwala	17 361	55.9	3 093	10.0	2 703	8.7	7 885	25.4	31 042
Total	2 799 302	47.9	240 968	4.1	146 378	2.5	2 658 905	45.5	5 845 553

Source NT Igdatabase

Figure 13: Creditors Age Analysis per district as at 31 December 2020



- As at the end of the second quarter, the eThekwini Metro accounted for the majority of the total outstanding Creditors balance at R2.5 billion or 42.3 percent of R5.8 billion.
- Amongst the districts, the uMgungundlovu District had the largest portion of the total outstanding Creditors of R1.1 billion or 18.6 percent which was mainly due to the Msunduzi Local Municipality contributing R1 billion to the total outstanding debt of the district total as at 31 December 2020.
- With the exception of the uMgungundlovu District with 82.8 percent, the iLembe District with 81 percent, the eThekwini Metro with 61.8 percent, the Harry Gwala District with 55.9 percent and the uThukela District with 53.2 percent, all other districts reported less than 50 per cent of their outstanding Creditors' payment due within the 0-30 Days category.
- The high outstanding debt in the Over 90 Days period was largely due to the eThekwini Metro with an amount of R889.3 million or 33.4 percent and the Ugu District with an amount of R841.9 million or 31.7 percent.
- Five districts reported the majority of their total Creditors under the 90 Days period namely; the Ugu District with 96.8 percent, the Amajuba District with 87.6 percent, the Zululand District with 80.2 percent, the uMzinyathi District with 64.1 percent and the uMkhanyakude District with 63.3 percent.
- It is recommended that municipalities pay all their outstanding debts within 0-30 Days of receipt of invoices or statements as required by Section 65(2)(e) of the MFMA in order to avoid possible interest and penalties charges.

2.14 National Conditional Grants – Provincial Total (Summary)

Table 14: National Conditional Grants –Summary as at the end of Quarter 2 - 2020/21

	DoRA 2020 Total Avail. (Inc. Adjust.)	Year to date		Unaudited Actual		Unaudited Actual	
		Approved payment schedule	Transferred to municipalities for direct grants	Actual expenditure National Department	% Spent	Actual expenditure by municipalities	% Spent
R'000							
Local Government Financial Management Grant	108 400	108 400	108 400	47 081	43.4	39 813	36.7
Infrastructure Skills Development Grant	35 400	35 827	21 000	12 581	35.5	17 516	49.5
Integrated City Development Grant	46 464	-	-	-	-	29	0.1
Neighbourhood Development Partnership (Schedule 5B)	96 700	96 700	67 017	47 778	49.4	59 148	61.2
Integrated Urban Development Grant	224 472	227 268	147 446	61 492	27.4	48 196	21.5
Municipal Systems Improvement Grant (Schedule 5B)	11 705	11 705	-	-	-	-	-
Municipal Disaster Grant	47 499	47 499	47 499	1 708	3.6	6 807	14.3
Public Transport Network Grant	659 256	659 256	559 256	304 447	46.2	260 242	39.5
Rural Road Assets Management Systems Grant	24 382	24 382	3 087	5 829	23.9	5 882	24.1
Expanded Public Works Programme Integrated Grant (Municipality)	222 436	222 436	143 055	155 168	69.8	165 158	74.2
Integrated National Electrification Programme (Municipal) Grant	254 484	254 484	215 984	29 596	11.6	(92 993)	(36.5)
Energy Efficiency and Demand Side Management (Municipal) Grant	19 800	19 800	9 100	-	0.0	4 498	22.7
Municipal Infrastructure Grant	3 195 369	3 195 369	2 359 596	1 698 509	53.2	1 961 965	61.4
Regional Bulk Infrastructure Grant (Schedule 5B)	180 572	180 572	94 764	40 925	22.7	82 641	45.8
Water Services Infrastructure Grant (Schedule 5B)	831 390	831 390	554 970	315 476	37.9	423 971	51.0
Municipal Emergency Housing Grant	47 493	47 493	28 483	15 814	33.3	-	-
Sub-Total	6 005 822	5 962 581	4 359 657	2 736 404	45.6	2 982 873	49.7
Allocations in Kind							
Neighbourhood Development Partnership (Schedule 6B)	6 000	6 000	2 347	2 347	39.1	-	-
Municipal Systems Improvement Grant (Schedule 6B)	11 705	-	-	-	-	-	-
Integrated National Electrification Programme (Alloc. in-kind) Grant	476 785	476 785	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 6B)	591	591	-	-	-	-	-
Sub-Total	495 081	483 376	2 347	2 347	0.5	-	-
Total	6 500 903	6 445 957	4 362 004	2 738 751	42.1	2 982 873	45.9

Source NT Igdatabase

- In terms of the Division of Revenue Act (DoRA) of 2020, direct allocations to all 54 KwaZulu-Natal municipalities amounted to R6 billion, while allocations in-kind amounted to R495.1 million, totalling R6.5 billion.
- The grant expenditure figures reported in Table 14 are based on submissions by the municipalities. Despite this, there are differences in the figures reflected as *Expenditure National Departments* and *Expenditure Municipalities*. The analysis below looks at the expenditure by municipalities column.
- Of the direct allocations of R6 billion, R4.4 billion or 72.6 percent had been transferred to municipalities as at the end of second quarter.
- Municipalities have reflected spending of R3 billion or 68.4 percent against the total amount transferred to date of R4.4 billion. The overall spending is distorted by the municipalities reporting a negative amount of R93 million against the Integrated National Electrification Programme (Municipal) Grant (INEP) allocation.
- The Municipal Infrastructure Grant (MIG) DoRA allocation of R3.2 billion is the largest grant allocation followed by the Water Services Infrastructure Grant of R831.4 million and the Public Transport Network Grant of R659.3 million.
- There has been no transfer of funds for the Integrated City Development Grant and the Municipal Systems Improvement Grant (Schedule 5B); however, there was expenditure of R29 000 reported against the Integrated City Development Grant.
- Of the 16 direct allocations to municipalities, only four Conditional grants reflected expenditure of 50 percent or more against the total available DoRA allocations for the 2020/21 financial year. The Expanded Public Works Programme Integrated Grant (Municipality) reflected expenditure of 74.2 percent of the R222.4 million DoRA allocation to municipalities followed by the MIG at 61.4 percent of the R3.2 billion DoRA allocation, Neighbourhood Development Partnership (Schedule 5B) at 61.2 percent of the R96.7 million DoRA allocation and Water Services Infrastructure Grant (Schedule 5B) at 51 percent of the R831.4 million DoRA allocation.
- The remainder of the Conditional grants reported expenditure of less than the expected benchmark of 50 percent as at the end of the second quarter.

2.15 National Conditional Grants – District Total

Table 15(a): National Conditional Grants as at the end of Quarter 2 - 2020/21

R'000	Financial Management Grant			Regional Bulk Infrastructure Grant			Municipal Infrastructure Grant		
	DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual	
		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
eThekweni	1 000	-	-	-	-	-	-	-	-
Ugu	9 600	2 667	27.8	-	-	-	326 903	40 519	12.4
uMgungundlovu	16 100	6 236	38.7	-	-	-	405 702	1 548 004	381.6
uThukela	7 700	2 388	31.0	39 399	-	-	329 483	138 288	42.0
uMzinyathi	10 200	3 078	30.2	4 738	4 120	87.0	300 123	162 998	54.3
Amajuba	8 800	1 398	15.9	-	-	-	183 538	77 613	42.3
Zululand	13 100	5 983	45.7	100 000	58 207	58.2	369 366	143 884	39.0
uMkhanyakude	10 900	5 168	47.4	-	-	-	347 703	87 806	25.3
King Cetshwayo	13 000	4 852	37.3	27 409	15 488	56.5	289 464	(418 044)	(144.4)
iLembe	9 400	4 926	52.4	-	-	-	329 565	25 150	7.6
Harry Gwala	8 600	3 116	36.2	9 026	4 826	53.5	313 522	155 746	49.7
Total	108 400	39 813	36.7	180 572	82 641	45.8	3 195 369	1 961 965	61.4

Source NT Igdatabase

Figure 14: FMG Expenditure vs. Allocation as at 31 December 2020

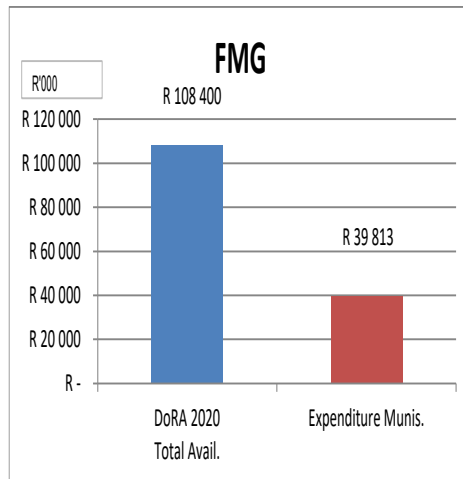


Figure 15: MIG Expenditure vs Allocation as at 31 December 2020

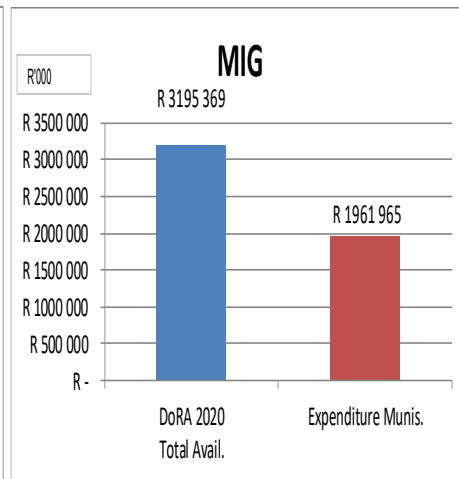
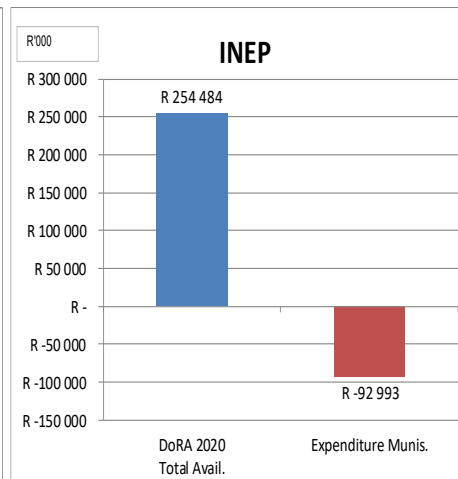


Figure 16: INEP Expenditure vs. Allocation as at 31 December 2020



- The Conditional grant expenditure for all districts for the Financial Management Grant (FMG) was R39.8 million (36.7 percent) against the total available DoRA allocation of R108.4 million which is below the straight line projection of 50 percent at the end of the second quarter.
- Most districts reported expenditure which is less than the benchmark of 50 percent. The eThekweni Metro did not report any spending against FMG and Amajuba District only spent the 15.9 percent against the FMG allocation.
- The iLembe District reported 52.4 percent spending against the FMG allocation and is the only district that reported spending above the 50 percent mark.

Regional Bulk Infrastructure Grant

- The expenditure reported on the Regional Bulk Infrastructure Grant (RBIG) is R82.6 million (45.8 percent) against the total DoRA allocation of R180.6 million which is below the 50 percent straight line projection for the second quarter.
- The uMzinyathi District reported the highest percentage spent of 87 percent or R4.1 million against the total allocation of R4.7 million.

Municipal Infrastructure Grant

- The total Conditional grant expenditure by all the districts for the Municipal Infrastructure Grant (MIG) is 61.4 percent or R1.96 billion against the total DoRA allocation of R3.2 billion which is above the straight line projection of 50 percent as at the end of the second quarter.
- The overall spending is distorted by the King Cetshwayo District reporting a negative amount of R418 million as at the end of second quarter. Furthermore, the uMgungundlovu District incorrectly reported spending of R1.5 billion which far exceeds the total allocation of R405.7 million.
- With the exception of the uMzinyathi District with spending of 54.3 percent, all the districts spent below the 50 percent straight line projection as at the end of second quarter.

2.15 National Conditional Grants – District Total / continued...

Table 15(b): National Conditional Grants as at the end of Quarter 2 - 2020/21

R'000	Integrated National Electrification Prog. (municipal) Grant			Expanded Public Works Prog. (municipal) Grant			Water Services Infrastructure Grant		
	DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual	
		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
eThekweni	-	-	-	79 192	79 192	100.0	-	-	-
Ugu	23 000	1 208	5.3	12 396	7 117	57.4	50 000	13 008	26.0
uMgungundlovu	20 000	1 191	6.0	14 794	12 847	86.8	113 255	136 156	120.2
uThukela	12 965	905	7.0	13 535	5 515	40.7	90 000	20 869	23.2
uMzinyathi	32 000	5 334	16.7	13 768	11 287	82.0	78 235	25 473	32.6
Amajuba	7 000	2 130	30.4	6 833	1 976	28.9	85 000	37 184	43.7
Zululand	44 000	(52 078)	(118.4)	20 708	12 041	58.1	105 500	49 590	47.0
uMkhanyakude	37 000	5 767	15.6	14 629	9 725	66.5	84 400	23 678	28.1
King Cetshwayo	33 159	(45 745)	(138.0)	19 157	8 069	42.1	100 000	40 294	40.3
iLembe	24 000	(14 706)	(61.3)	11 640	8 176	70.2	65 000	42 804	65.9
Harry Gwala	21 360	2 999	14.0	15 784	9 212	58.4	60 000	34 915	58.2
Total	254 484	(92 993)	(36.5)	222 436	165 158	74.2	831 390	423 971	51.0

Source NT Igdatabase

Figure 17: EPWP Expenditure vs. allocation as at 31 December 2020

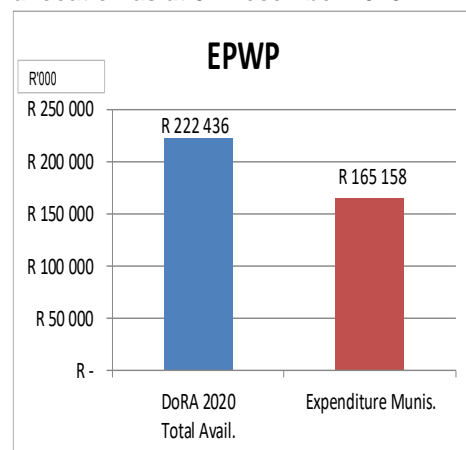


Figure 18: RBIG Expenditure vs. allocation as at 31 December 2020

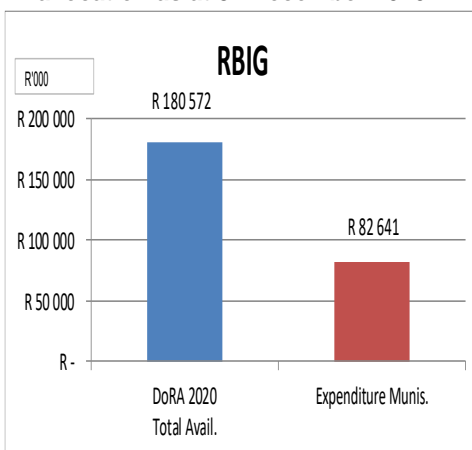
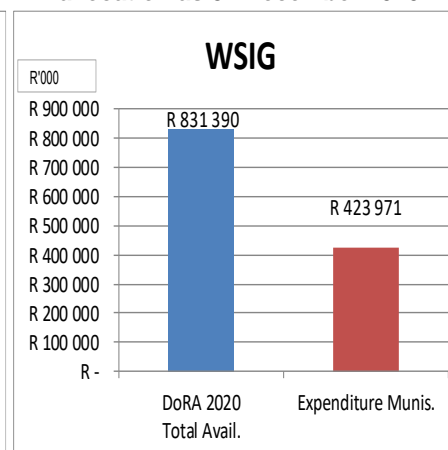


Figure 19: WSIG Expenditure vs. allocation as at 31 December 2020



- The total Conditional grant expenditure by all the districts for the Integrated National Electrification Programme Grant (INEP) is negative 36.5 percent or negative R93 million against the total DoRA allocation of R254.5 million.

- The overall negative spending is mainly due to the King Cetshwayo (negative 138 percent), Zululand (negative 118.4 percent) and iLembe Districts (negative 61.3 percent) incorrectly reporting negative spending as at the end of second quarter due to system challenges.

- None of the districts that reported positive spending spent 50 percent or more as at the end of the second quarter mainly due to the implementation of the COVID-19 regulations in the first two quarters of the 2020/21 financial year.

Expanded Public Works Programme

- The expenditure reported on the Expanded Public Works Programme Grant (EPWP) for the province is R165.2 million (74.2 percent) against the total DoRA allocation of R222.4 million which is above the 50 percent straight line projection.

- The eThekweni Metro reported full spending of their allocation of R79.2 million.

- The lowest spending was reported by the Amajuba District at R2 million (28.9 percent) which is significantly below the straight line projection of 50 percent for quarter two.

Water Services Infrastructure Grant

- The expenditure reported on the Water Services Infrastructure Grant (WSIG) is R424 million (51 percent) against the total DoRA allocation of R831.4 million which is in line with the 50 percent straight line projection for quarter two.

- The highest percentage spent on the WSIG allocation was reported by the uMgungundlovu District at R136.2 million (120.2 percent) followed by the iLembe District at R42.8 million (65.9 percent). The amount reported by the uMgungundlovu District do not appear reasonable due to that the Msunduzi Local Municipality reported expenditure of R104.6 million or 314.4 percent against the allocation of R33.3 million.

- The lowest percentage spent was reported by the uThukela District at R20.9 million (23.2 percent) which is significantly below the straight line projection of 50 percent for quarter two.

2.16 Non-Compliance with the DoRA and MFMA Reporting Requirements

Table 16(a): List of municipalities that did not comply with ALL MFMA and DoRA Reporting Requirements for the period July to December 2020. (As at 01 February 2021)

Budget Data strings	Monthly submission of MFMA Section 71 Data strings				
2020/21 Financial year	Month 1	Month 3	Month 4	Month 5	Month 6
KwaDukuza Richmond uThukela DM	Dannhauser Amajuba DM	Mandeni	Amajuba DM Jozini	Dannhauser Amajuba DM Nquthu	uPhongolo Mpořana

List of municipalities exclude the non-delegated municipalities.

Source: NT Igdatabase

Table 16(b): List of municipalities that did not comply with ALL MFMA and DoRA Reporting Requirements for the period July to December 2020. (As at 10 February 2020)

Non submission of Mid year Budget Performance Report as at 25 January 2021 (PDF)	Failure to table the 2020/21 Mid year Budget Performance Report to Council by 31 January 2021	Failure to place the 2020/21 Mid year Budget Performance Report timeously on municipal website	Municipalities that did not publish the majority of documents on their website as per MFMA Section 75	Municipalities that did not table their 2021/22 Time Schedule of Key deadlines by 31 August 2020
Nquthu eDumbe uMdoni	uMkhanyakude DM eMadlangeni uMdoni Maphumulo uMgungundlovu DM AbaQulusi	Mpořana uMdoni uMshwathi uMngeni Ugu DM Nkandla eDumbe uMkhanyakude DM	uMdoni Nquthu Dannhauser eDumbe uMfolozi Nkandla uBuhlebezwe Mpořana	AbaQulusi Zululand DM Dannhauser uMkhanyakude DM Ugu DM uMfolozi uMgungundlovu DM Ndwedwe Nquthu uMngeni

List of municipalities exclude the non-delegated municipalities.

Source: NT Igdatabase and Municipal websites

- On a weekly basis, municipalities are sent schedules reminding them of their outstanding reports required in terms of the MFMA. Despite these efforts, some municipalities still do not submit the required reports within the legislated timeframes.
- The MEC for Finance highlights the resulting non-compliance with the MFMA and DoRA reporting requirements in a Provincial Treasury Circular to the Mayors of all delegated KwaZulu-Natal municipalities bi-annually.
- Tables 16(a), 16(b), 16(c) and 16(d) show the municipalities that did not fully comply with all the reporting requirements according to the National Treasury report reflecting the outstanding MFMA data strings and reports as at 01 February 2021.
- Section 71 of the MFMA requires that the Accounting Officer of a municipality must, by no later than 10 working days after the end of each month, submit to the Mayor of the municipality, National Treasury and the relevant Provincial Treasury a statement in the prescribed format on the state of the municipality's budget. However, seven (7) municipalities have not submitted all their monthly reports from Month 01 (July) to Month 06 (December) of the 2020/21 financial year. The Amajuba District Municipality failed to submit their MFMA Section 71 data strings for three months of the first half of the 2020/21 financial year.
- Section 72(1)(a) of the MFMA requires that the Accounting Officer of a municipality assess the performance of the municipality for the first half of the year. A report on such assessment must be performed and submitted to the Mayor of the municipality, National Treasury and the relevant Provincial Treasury by 25 January of each year as per Section 72(1)(b) of the MFMA. Three (3) municipalities had failed to comply with Section 72(1)(b)(iii) as their 2020/21 Mid-Year Budget and Performance Assessments Reports were not submitted to Provincial Treasury in required PDF format. The Nquthu and eDumbe Local Municipalities subsequently submitted their 2020/21 Mid-Year Budget and Performance Assessment Reports to the Provincial Treasury.
- Section 54(1)(f) of the MFMA states that on receipt of a statement or report submitted by the Accounting Officer of the municipality in terms of Section 71 or 72, the Mayor must, in the case of a Section 72 report, submit the report to the Council by 31 January of each year. Six municipalities failed to table their 2020/21 mid-year budget performance assessment reports to Council by 31 January 2021.

2.16 Non-Compliance with the DoRA and MFMA Reporting Requirements / continued...

Table 16(c): List of municipalities that did not comply with ALL MFMA and DoRA Reporting Requirements for the period July to December 2020. (As at 10 February 2020)

Local municipalities with less than 5 Interns	District municipalities with less than 3 Interns	Municipalities that did not approve their 2020/21 SDBIP within 28 days of their budget approval	Municipalities that failed to submit their 2020/21 SDBIP within 10 days of approval	Municipalities that failed to make public their 2020/21 SDBIP within 10 days of approval
uMzombe eNdumeni Dannhauser uPhongolo uMfolozi uMlalazi Mthonjaneni Nkandla Ulundi Dr Nkosazana Dlamini Zuma	uThukela DM Amajuba DM	Ugu DM Amajuba DM eMadlangeni	uMshwathi AbaQulusi Nongoma eNdumeni Nkandla uMzinyathi DM	Mthonjaneni eNdumeni Zululand DM uMzinyathi DM

List of municipalities exclude the non-delegated municipalities.

Source: NT Igdatabase

Table 16(d): List of municipalities that did not comply with ALL MFMA and DoRA Reporting Requirements for the period for the period July to December 2020. (As at 10 February 2020)

Signed Off Q2 Section 71 figures	Signed Off Q2 Conditional Grants	Signed Off Q2 Borrowing Monitoring	Signed off Q2 Investment Monitoring
uMzombe LM Ugu DM uPhongolo LM uMfolozi LM	uMzombe LM Ugu DM uPhongolo LM uMfolozi LM	Ugu DM uPhongolo LM uMfolozi LM	uMzombe LM uPhongolo LM uMfolozi LM

List of municipalities exclude the non-delegated municipalities.

Source: NT Igdatabase

- Regulation 34(1) of the MBRR requires the municipal manager to make the mid-year budget and performance assessment public by placing it on the municipal website within five working days of 25 January each year. As per Table 16(b) eight (8) municipalities failed to comply with this regulation timeously.
- Section 75 of the MFMA requires municipalities to place certain documents on their municipal websites. It was noted as per Table 16(b) that as at 01 February 2021, eight (8) municipalities had still not placed the majority of the required documents on their municipal websites.
- Section 21(1)(b) of the MFMA requires the Mayor of a municipality to table in Council a Time schedule outlining key deadlines by 31 August of each financial year. As per Table 17(b), ten (10) municipalities did not table their Time schedule outlining key deadlines by the prescribed deadline of 31 August 2020.
- The conditions of the Financial Management Grant (FMG) requires that each local municipality appoint a minimum of five interns and each district municipality appoint a minimum of three interns over a multi-year period. It was noted that as at 01 February 2021, ten (10) local municipalities and two (2) district municipalities had still not appointed the required minimum number of interns.
- Section 53(1)(c)(ii) of the MFMA requires the mayor of a municipality to take all reasonable steps to ensure that the municipality's Service Delivery and Budget Implementation Plan (SDBIP) is approved by the mayor within 28 days after the approval of the budget. Three (3) municipalities failed to approve their SDBIPs timeously. Regulation 20(2)(b) of the MBRR requires the municipal manager to submit the SDBIP to National and Provincial Treasury within ten working days of approval of the SDBIP by the mayor. Six (6) municipalities failed to submit their SDBIPs to Provincial Treasury. The MBRR further requires that the municipal manager makes the SDBIP public within ten working days after approval of the SDBIP. Four (4) municipalities failed to make their SDBIPs public within the required timeframe.
- To ensure that the figures published by National Treasury are reliable, municipalities are required to scrutinise, verify and sign-off the verification schedules sent to them by National Treasury on a quarterly basis. Four (4) municipalities failed to submit the signed MFMA Section 71 verification schedule, four (4) municipalities failed to submit the signed Conditional Grant monitoring verification schedule, three (3) municipalities failed to submit the Borrowing monitoring verification schedule and three (3) municipalities failed to submit the signed Investment monitoring verification schedule for quarter two.

2.17 Implementation of the Municipal Regulations on Standard Chart of Accounts (mSCOA)

Implementation of the Municipal Regulations on Standard Chart of Accounts (mSCOA)

The Minister of Finance promulgated Government Gazette No. 37577, Municipal Regulations on Standard Chart of Accounts (mSCOA), on 22 April 2014. All municipalities and related municipal entities were required to transact in compliance with the mSCOA Regulations from 01 July 2017.

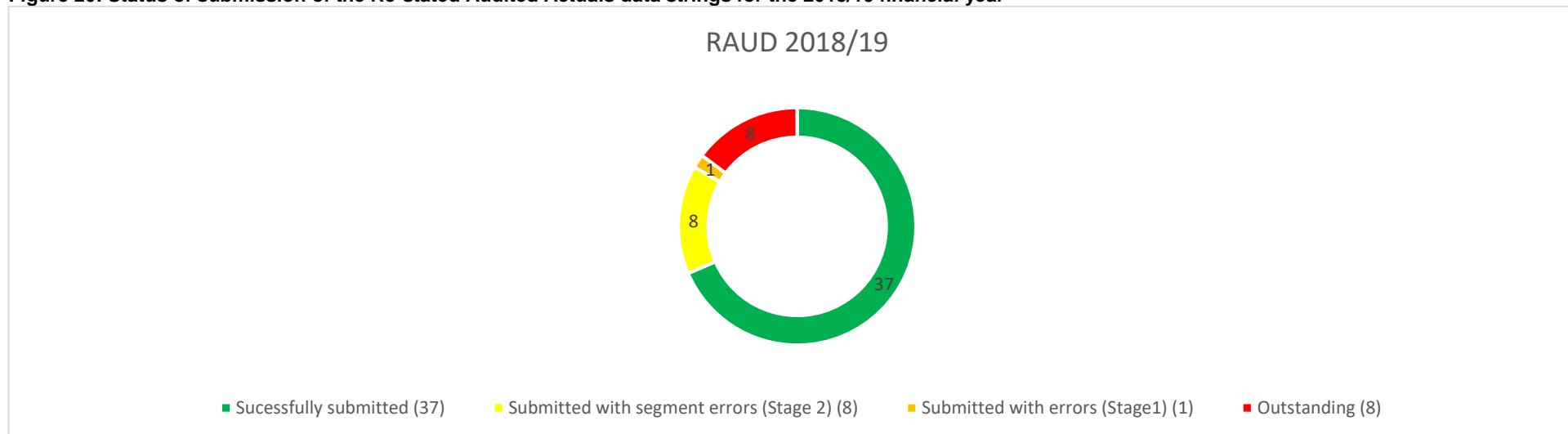
Provincial Treasury continued with the implementation of mSCOA in the Province during the second quarter of the municipal financial year by means of providing support and engagements with municipalities and municipal entities. Engagements were conducted through means of online platforms due to the COVID-19 pandemic. Onsite engagements will resume when safe to do so.

Submission of the Re-stated Audit Actuals for the 2018/19 financial year

In terms of Section 74(1) of the MFMA, Provincial Treasury may request information from time to time from municipalities, to enable Provincial Treasury to monitor compliance with the Act and provide oversight and monitoring to fulfil the mandate in terms of Section 5(4) of the MFMA. Such information can include, returns, documents, explanations and motivations as may be prescribed or as may be required.

In light of the above, municipalities are required to submit their Re-stated Audit Actuals data strings (RAUD) for the financial year ended 30 June 2019 to the LG Portal. As at the 31 December 2020, forty-five (45) municipalities had uploaded the RAUD. This represents only 83 percent of municipalities within the province. Of the forty-five (45) municipalities that submitted, eight (8) municipalities had Stage 2 (Segment Validation) errors. The RAUD data strings are required to be submitted to the LG Portal 10 days after submission of the Annual Financial Statements for 2019/20 to the Auditor General of South Africa. In respect of the current financial year this was due on the 13 November 2020. The status of submissions by Municipalities are presented in Figure 20 below and Municipalities that have not submitted the required information in the correct format or are outstanding are included in Table 17

Figure 20: Status of submission of the Re-stated Audited Actuals data strings for the 2018/19 financial year



Source: National Treasury LG data base

Table 17: Municipalities that have submitted with errors or have outstanding Re-stated Audited Actuals data strings for the 2018/19 financial year

No.	Name of Municipality	No.	Name of Municipality	No.	Name of Municipality
1	Dannhauser	4	Msinga	7	uMngeni
2	eThekweni Metro	5	Msunduzi	8	uPhongolo
3	Inkosi Langalibalele (Segment Error)	6	uMhlatuze	9	uThukela DM

Source: National Treasury LG data base

Submission of the Pre-Audited Actuals for the 2019/20 financial year

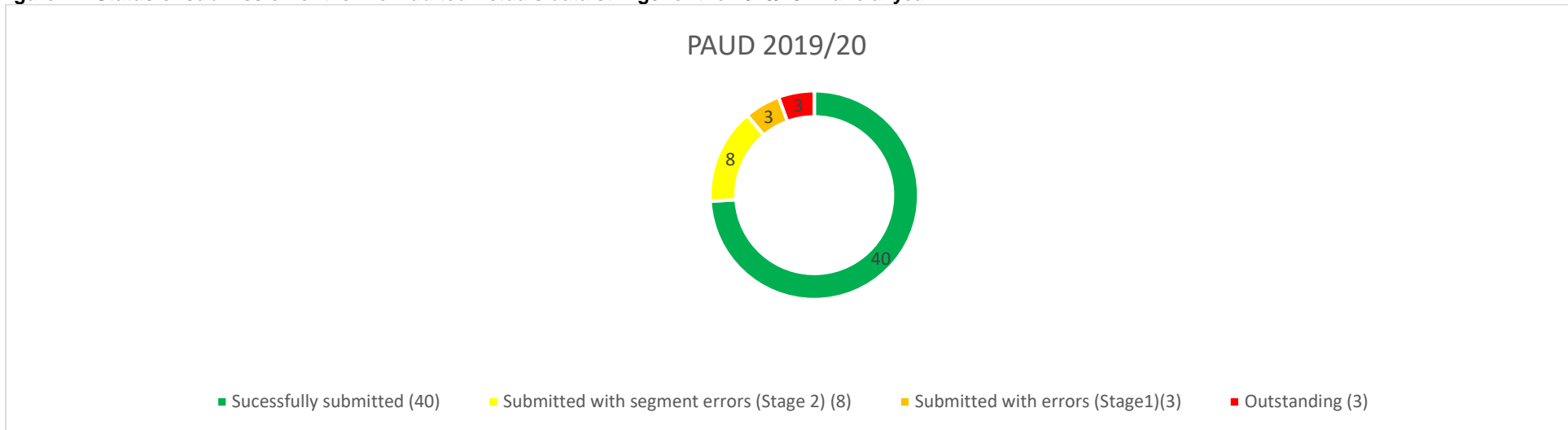
National Treasury issued Government Gazette 43582 as a result of the COVID-19 pandemic which indicates:

- (1) *Subject to the condition in paragraph 2, municipalities and municipal entities are exempted, for the 2019/2020 financial year, from complying with the deadlines in sections 126(1) and (2), 127(1) and (2), 129(1) and 133(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).*
- (2) *Municipalities and municipal entities must comply with a provision referred to paragraph 1 within two months after the deadline in the applicable provision.*

As per the gazette, the Pre-Audit Actuals data strings for the 2019/20 financial year must be submitted by 31 October 2020.

In terms of Section 74(1) of the MFMA as indicated above, municipalities are requested to submit the Pre-Audited Annual Financial Statements data strings (PAUD) to the LG Portal 10 days after submission of the Annual Financial Statements to the Auditor General. As at the 31 December 2020, there are forty-eight (48) municipalities that had uploaded the pre-audited data string (PAUD) for the 2019/20 financial year end as indicated in Figure 21. The remainder of the municipalities that submitted with errors or outstanding are listed in Table 18.

Figure 21: Status of submission of the Pre-Audited Actuals data strings for the 2019/20 financial year



Source: National Treasury LG data base

Table 18: Municipalities that have submitted with errors or have outstanding Pre-Audited Actuals data strings for the 2019/20 financial year

No.	Name of Municipality	Type of Error	No.	Name of Municipality	Type of Error
1	iNkosi Langalibalele	Submitted with errors	4	Msunduzi	Outstanding
2	Maphumulo	Submitted with errors	5	uMvoti	Outstanding
3	Mpofana	Submitted with errors	6	uPhongolo	Outstanding

Source: National Treasury LG data base

Tabled Budget for the 2020/21 financial year

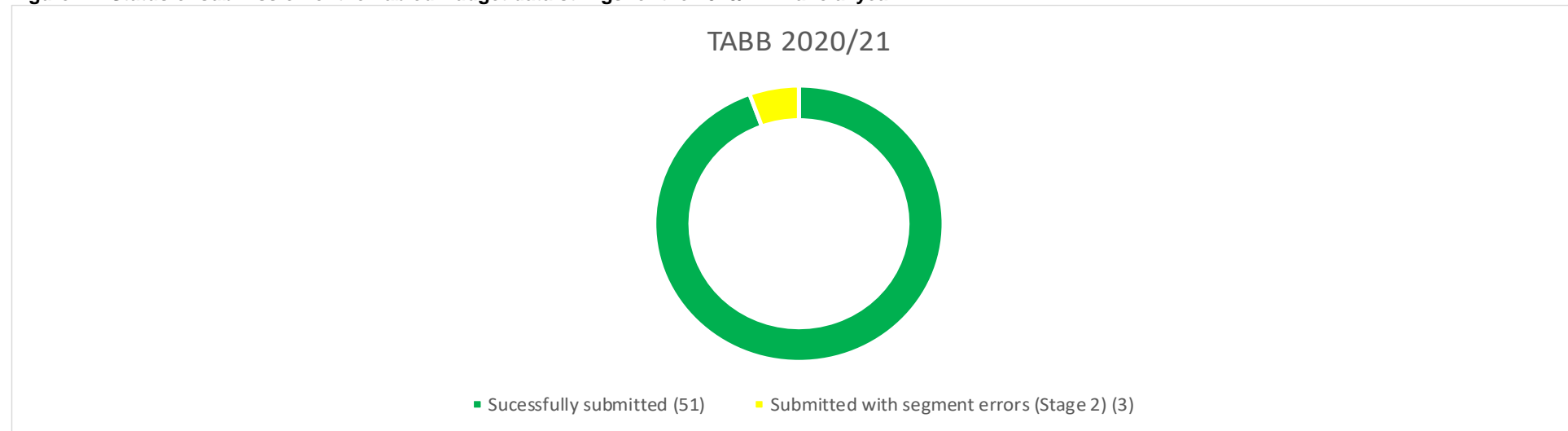
In terms of the Annexure to the MFMA Budget Circular No. 99: a National Disaster was declared on the 15 March 2020 which included the following statement:

“Municipalities and municipal entities will be exempted from the timeline provisions in the MFMA, until such time that the national state of disaster declaration is lifted by the Minister of Cooperative Governance and Traditional Affairs. The exemption is conditional in that “any action that was required to be taken in terms of the MFMA must be taken within 30 days after the national state of disaster lapsed or is terminated”. This exemption should therefore enable municipalities and municipal entities to undertake their financial management responsibilities including their budget preparation processes in a manner taking cognisance of the

challenges experienced as a result of the announcement of the national state of disaster and the nationwide lockdown. It also provides for a special adjustments budget to address any expenditure relating to COVID-19 for the current municipal financial year ending 30 June 2020”

It was noted that the 54 municipalities successfully submitted the Tabled Budget. Three municipalities submitted their Tabled Budget data strings with segment errors as denoted in Figure 22.

Figure 22: Status of submission of the Tabled Budget data strings for the 2020/21 financial year

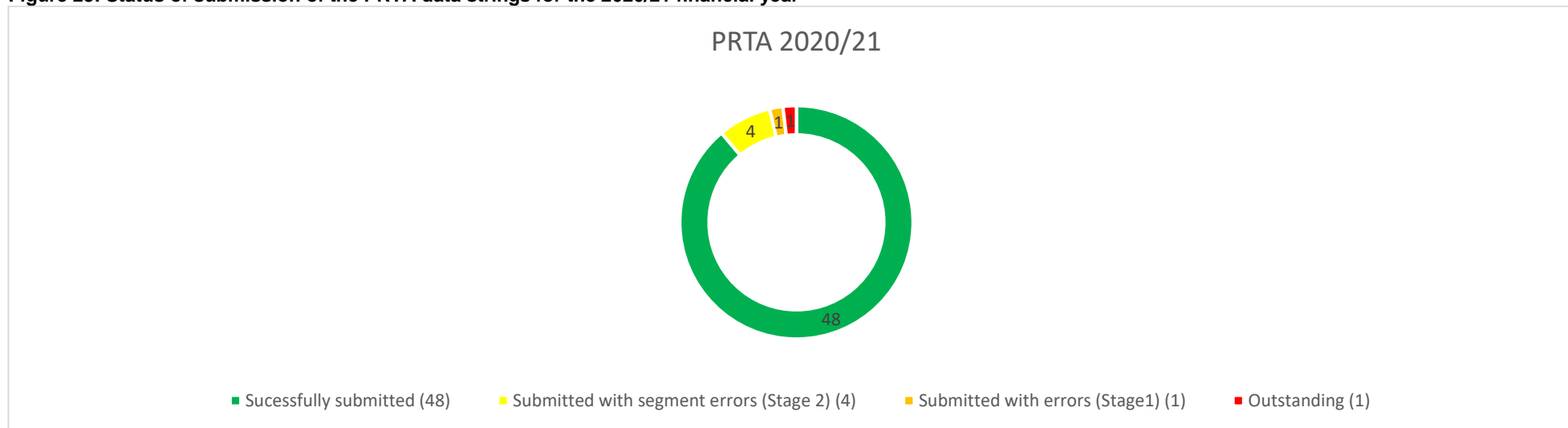


Source: National Treasury LG Database

The Alfred Duma, KwaDukuza and uMdoni Local Municipalities data strings contained segment errors.

As part of the submission of the Tabled Budget (TABB) municipalities must submit the Project Details for the Tabled Budget (PRTA) which represents the projects within IDP file. Figure 23 indicates the submission status.

Figure 23: Status of submission of the PRTA data strings for the 2020/21 financial year



Source: National Treasury LG data base

Table 19 lists the municipalities whose PRTA submissions contained errors or are outstanding.

Table 19: Municipalities that submitted data strings with errors or are outstanding for the PRTA for the 2020/21 financial year

No	Name of Municipality	Type of Error	No	Name of Municipality	Type of Error
1	eThekweni Metro	Stage 2: Segment Errors	4	Richmond	Stage 1: Submitted with errors
2	KwaDukuza	Outstanding	5	uMdoni	Stage 2: Segment Errors
3	Nquthu	Stage 2: Segment Errors	6	uMngeni	Stage 2: Segment Errors

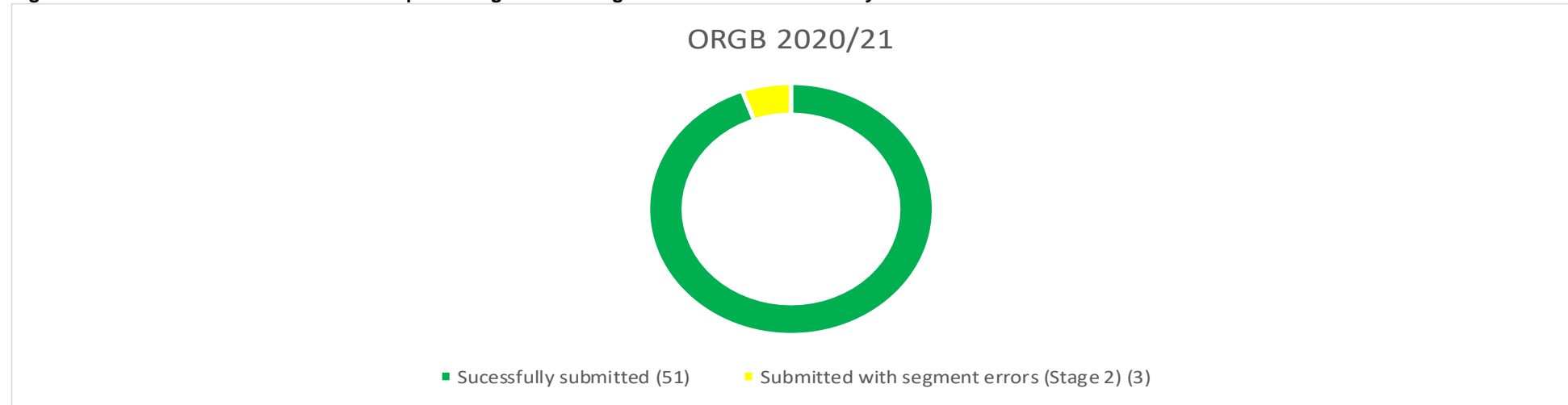
Source: National Treasury LG Database

Adopted Budget for the 2020/21 financial year

As per the guidance issued by National Treasury, municipalities were required to adopt the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF) Budget before the start of the financial year.

Figure 24 reflects the status of the municipalities that submitted the 2020/21 Adopted Budget mSCOA data strings (ORGB) as at 31 December 2020. KwaZulu-Natal achieved a 100 percent submission rate and there were only three municipalities whose data strings contained Stage 2 segment errors.

Figure 24: Status of submission of the Adopted Budget data strings for the 2020/21 financial year

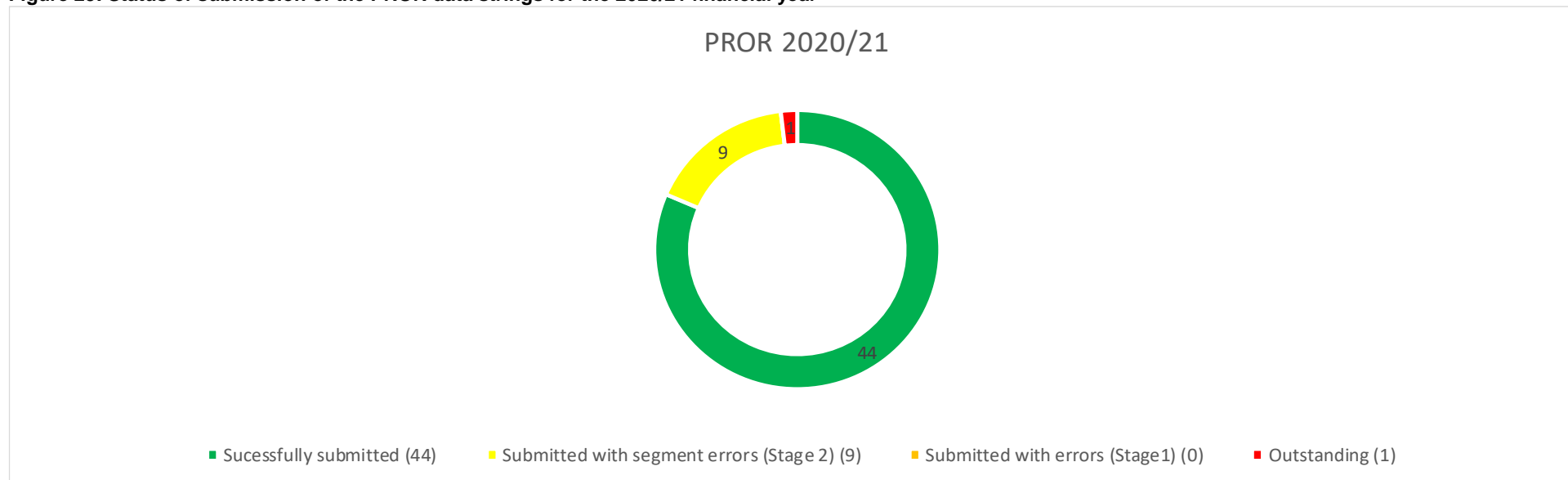


Source: National Treasury LG Database

The Alfred Duma and Newcastle Local Municipalities as well as the uThukela District Municipality submitted data strings with Stage 2: Segment errors for the ORGB.

In addition to the submission of the 2020/21 ORGB, municipalities were required to submit the Project Details for the Adopted Budget (PROR) that represents the IDP file. Figure 25 indicates the status of the submission of the PROR for the 2020/21 financial year.

Figure 25: Status of submission of the PROR data strings for the 2020/21 financial year



Source: National Treasury LG Database

Table 20 lists municipalities whose PROR submissions contained errors or are outstanding:

Table 20: Municipalities that did not submit data strings or submitted with errors for the PROR for the 2020/21 financial year

No	Name of Municipality	Type of Error	No	Name of Municipality	Type of Error
1	Amajuba DM	Stage 2: Segment Errors	6	Nquthu	Stage 2: Segment Errors
2	Dr Nkosazana Dlamini Zuma	Stage 2: Segment Errors	7	Ray Nkonyeni	Stage 2: Segment Errors
3	eThekweni Metro	Stage 2: Segment Errors	8	uMdoni	Stage 2: Segment Errors
4	KwaDukuza	Outstanding	9	uMngeni	Stage 2: Segment Errors
5	Newcastle	Stage 2: Segment Errors	10	uThukela DM	Stage 2: Segment Errors

Source: National Treasury LG Database

Analysis of the use of segments for the Adopted Budget for the 2020/21 financial year

In addition to the 16 validations of the LG data base, Provincial Treasury has reviewed each segment used in line with the Project Summary Document and GRAP principles. The following was noted for each segment where applicable and communication was issued to each municipality for correction purposes:

- The Region segment was not used appropriately. Revenue was not regionalised per ward. Majority of municipalities allocated the Region segment to either “Head office/Administration” or “Whole of Municipality”.
- There were a few municipalities that were still able to select other provinces which is an issue at a municipal level as the parameters have not been set correctly.
- Except for the Alfred Duma and KwaDukuza Local Municipalities, costing was not implemented for services such as electricity, water, wastewater and waste management services.
- The Function segment continues to be a challenge as the distinction between core and non-core is not aligned to the mandate of the municipality nor is it aligned to MFMA Circular No. 74 where additional guidance was provided to municipalities.
- The following were noted with regards to the Funding segment –
 - Funding sources are not in balance;
 - The Funding sources change in the middle of the business cycle/process which is against the guidelines of the Project summary document. The Funding source is not consistent from the beginning to the end of the business process;
 - Funding sources do not match the item revenue source;
 - Conditional grant accounting is not correctly applied in terms of GRAP 23 requirements; and
 - Opening balances are inconsistently treated between funded and non-funded.
- The following were noted with regards to the Item segment –
 - Opening balances are not contained within the data string or alternatively, are not in balance, that is, the sum of assets less liabilities do not equate to the opening balance in net assets (Financial position);
 - The accrual basis of accounting has not been applied. There are some municipalities that have not included all liabilities and Value-Added Taxation (VAT) which indicates that the budget and transactional environment would not align for reporting purposes;
 - The matching principle has not been applied, for example, the Accumulated depreciation charged to item non-current assets does not agree to the Depreciation charged to item expenditure, both in terms of amount and category used;
 - GRAP 12 (Inventory) has not been applied correctly for Water inventory as well as normal inventory. Some municipalities have incorrectly expensed all inventory items;
 - Conditional grant accounting has not been appropriately applied in terms of GRAP 23; and

- GRAP 6 (Consolidations) has not been applied correctly for municipalities with municipal entities in that the elimination of intercompany transactions have not been performed.
- Segment validations are either being circumvented or alternatively, have not been built into the system. Data strings are still being submitted with Stage 1 (File format) and Stage 2 (Segment errors) validation errors that are referred back to municipalities.
- There are mapping issues that still require to be addressed at a National level to ensure standardisation across the reporting process which is applicable to Tables A9, A7, SA18, SA 19 and SA20 of the Schedule A.
- The following were noted with regards to the Project Segment –
 - The Project segment validations have changed which has not been consistently applied across all mSCOA vendors. The change has been raised with National Treasury however, the problems experienced by different vendors on how transactions should be treated are not the same.
 - There are still Project operational: Typical work streams such as Travel and subsistence, Capacity building and Disaster management projects that are incorrectly linked to Project operational: Municipal Running costs.
 - Municipalities are not recording the Cost of free basic services and Revenue of free basic services appropriately.
 - Lastly, municipalities have not correctly accounted for the projects within the individual project name in terms of the guidance of both Circular 9 of the mSCOA regulations and MFMA Circular No. 99. It therefore appears that some municipalities do not have any COVID-19 related expenditure or projects.

If the data strings contain errors, such errors may only be corrected in the main Adjustment Budget in February as per Section 28(f) of the MFMA together with Regulation 23(1) of the Municipal Budget and Reporting Regulations (MBRR).

Special Adjustments Budget for the 2020/21 financial year (Rollover and Reprioritisation of the COVID-19 pandemic)

The 2020 National Supplementary Budget was delivered by the Minister of Finance in Parliament on the 24 June 2020 which responds to the COVID-19 pandemic and its impact on the economy. The Supplementary Budget includes the R20 billion allocation for local government announced by the President to assist in funding the COVID-19 pandemic expenditure and consists of R11 billion added to the local government Equitable share and just over R9 billion that was repurposed for the provision of water and sanitation and for sanitising public transport facilities within existing grant allocations to local government. In terms of Section 28(2)(b) of the MFMA and Section 23(3) of the MBRR, municipalities were required to adjust their 2020/21 MTREF Budgets to account for the revised funding allocations that were made available.

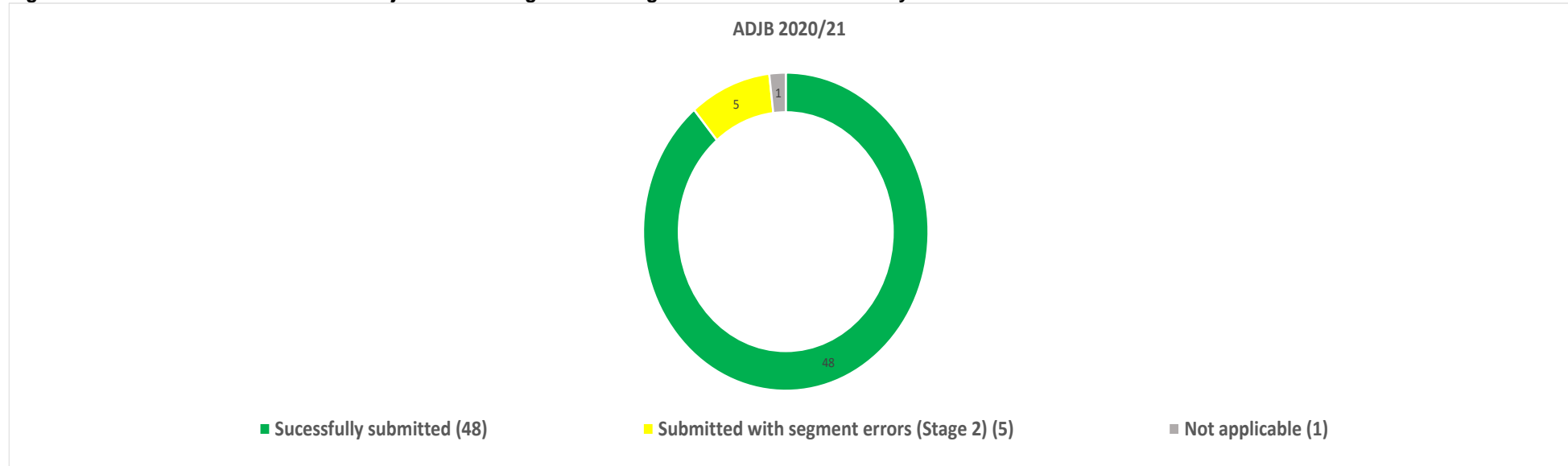
National Treasury required municipalities to use the Adjustments Budget to reprioritise the 2020/21 budget to respond to the impact of the COVID-19 pandemic on the budget as better quality information would have been available to inform the budget assumptions given that five months lapsed since the lockdown. National Treasury further stated that municipalities that have adopted unfunded budgets for the 2020/21 financial year should correct their budgets through the Special Adjustments Budget process to ensure that the Adjustments Budgets are funded. The 2020/21 Adjustments Budget was to be adopted by Council by no later than 30 September 2020.

National Treasury further stated that the Special Adjustments Budget data strings for the 2020/21 financial year be submitted in the format of mSCOA data strings uploaded to the LG Upload Portal within 10 working days after the Adjustments Budget being adopted by Council. National Treasury further indicated that the

funding and expenditure that pertain to the COVID-19 pandemic be recorded and ring fenced as per the guidance provided in the mSCOA Circular No. 9 that was issued on 09 June 2020.

Figure 26 reflects the status of municipalities that submitted their Special Adjustment Budget data strings and Table 21 shows municipalities that have submitted their Special Adjustments Budget and the date that the data strings were uploaded to the LG Upload Portal.

Figure 26: Status of submission of the Adjustments Budget data strings for the 2020/21 financial year



Source: National Treasury LG Data base

Table 21: Status of submission of the Adjustments Budget data strings for the 2020/21 financial year

No	Name of Municipality	Date of submission	No	Name of Municipality	Date of submission	No	Name of Municipality	Date of submission
1	AbaQulusi	21 September 2020	19	Mandeni	01 October 2020	37	Ugu DM	29 September 2020
2	Alfred Duma	28 September 2020	20	Maphumulo	30 September 2020	38	ULundi	17 September 2020
3	Amajuba DM	16 October 2020	21	uMfolozi	25 September 2020	39	uMdoni	15 September 2020
4	Dannhauser	02 October 2020	22	Mkhambathini	02 October 2020	40	uMgungundlowu DM	30 September 2020
5	Dr Nkosazana Dlamini Zuma	21 September 2020	23	Mpofana	28 September 2020	41	uMhlabuyalingana	02 October 2020
6	eDumbe	25 September 2020	24	uMsinga	30 September 2020	42	uMhlathuze	27 October 2020
7	eMadlangeni **	19 November 2020	25	Msunduzi	22 September 2020	43	uMkhanyakude DM	29 September 2020
8	eNdumeni	05 October 2020	26	Mthonjaneni	07 October 2020	44	uMlalazi	28 September 2020
9	eThekwini Metro**	14 December 2020	27	Mtubatuba	11 September 2020	45	uMngeni	23 September 2020
10	Greater Kokstad	29 September 2020	28	Ndwedwe	01 October 2020	46	uMshwathi	08 October 2020
11	Harry Gwala DM	23 September 2020	29	Newcastle	02 October 2020	47	uMuziwabantu	30 September 2020
12	Big Five Hlabisa	01 October 2020	30	Nkandla	17 September 2020	48	uMvoti	Not applicable
13	iLembe DM	30 September 2020	31	Nongoma	02 October 2020	49	uMzimkhulu	01 October 2020
14	iMpendle	30 September 2020	32	Nquthu	06 October 2020	50	uMzinyathi DM	30 September 2020
15	iNkosi Langalibalele	30 September 2020	33	Okhahlamba	30 September 2020	51	uMzumbe	05 October 2020
16	Jozini	01 October 2020	34	Ray Nkonyeni	15 September 2020	52	uPhongolo	06 October 2020
17	King Cetshwayo DM	30 September 2020	35	Richmond	23 September 2020	53	uThukela DM	28 September 2020
18	KwaDukuza	28 September 2020	36	uBuhlebezwe	01 October 2020	54	Zululand DM	18 September 2020

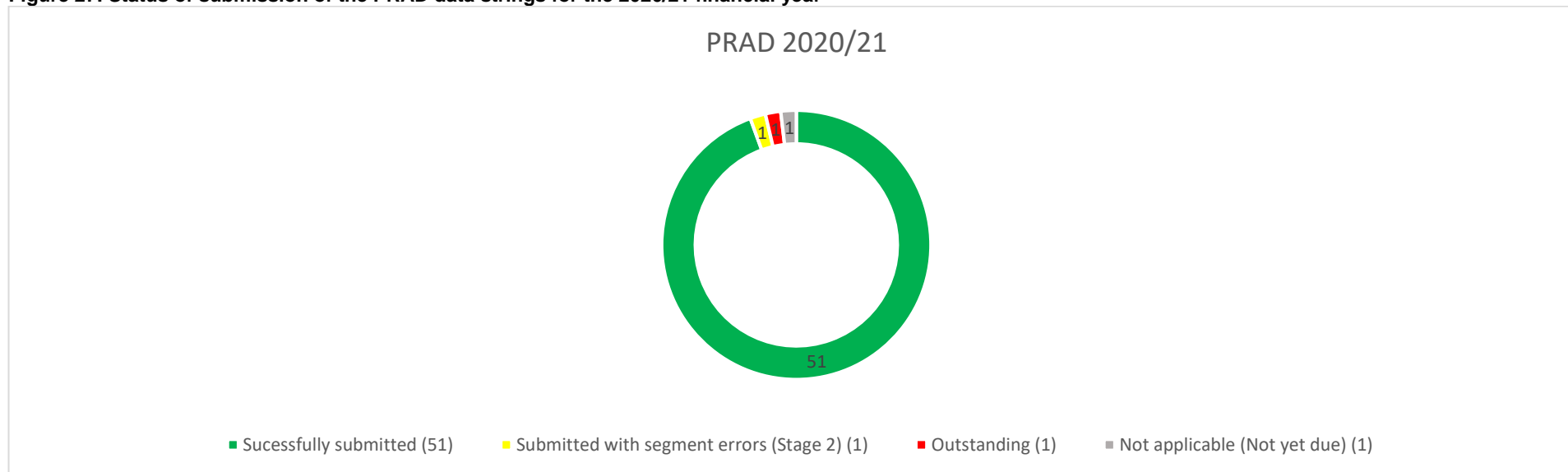
Source: National Treasury LG Data base

** Submitted late

The municipality that did not table on Adjustment Budget for the 2020/21 financial year is uMvoti Local Municipality.

Municipalities were also required to submit the Project Details for the Adjustment Budget (PRAD) which represents the IDP file. Figure 27 indicates the status of the submission of the PRAD for the 2020/21 financial year. The uMvoti Local Municipality did not table a 2020/21 Special Adjustments Budget as the municipality had indicated their revised funding allocations in their 2020/21 Approved Budget in June 2020.

Figure 27: Status of submission of the PRAD data strings for the 2020/21 financial year



Source: National Treasury LG data base

Table 22 reflects municipalities whose 2020/21 PRAD contained errors. A PRAD only requires submission after the submission of the Adjustments Budget (ADJB) data strings therefore the uMvoti Local Municipality was not required to submit the PRAD as they did not table their 2020/21 Special Adjustments Budgets.

Table 22: Municipalities that submitted data strings with errors or are outstanding for the PRAD for the 2020/21 financial year

No	Name of Municipality	Type of Error
1	uMsinga	Stage 2 - Segment Errors
2	uMvoti	Not applicable
3	uThukela DM	Outstanding

Source: National Treasury LG data base

Reporting in terms of Section 71 of MFMA for the 2020/21 financial year

The Accounting Officer of a municipality is required to, by no later than 10 working days after the end of each month, submit to the Mayor of the municipality and the relevant Provincial Treasury in the prescribed format the statutory monthly reporting for the municipality which includes the electronic monthly mSCOA transactional information submissions (mSCOA data strings). The submissions for the year in respect of the 2020/21 financial year as at the 15 January 2021 are indicated in Table 23

Stage 1 validation refers to whether the mSCOA data strings file was submitted to the LG database in the correct file format.

Stage 2 validation refers to the process once the submission of Stage 1 is successful. Subsequent to the submission of the Tabled Budget, National Treasury validated the data strings against the 16 segment validation rules to ensure that the municipalities applied the segments appropriately.

Stage 1 and Stage 2 of mSCOA LG Database Validation

Table 23 indicates the number of municipalities that have complied and submitted M01 - M06 financial data strings:

Table 23: Status of In-year reporting submissions for the 2020/21 financial year

Status	M01	M02	M03	M04	M05	M06
Successfully submitted	54	53	53	54	50	47
Successfully submitted with segment errors	0	1	1	0	2	2
Submitted with errors	0	0	0	0	0	0
Outstanding	0	0	0	0	2	5

Source: National Treasury LG data base

The submissions for the following municipalities contained errors or were outstanding in respect of the IYM M01-M06 for the 2020/21 financial year:

Table 24: Segment Errors in IYM Reporting for the 2020/21 financial year

No	Name of Municipality	Type of Error	No	Name	Type of Error
1	Mpofana	Outstanding (M05, M06)	4	Nquthu	Stage 2 - Segment Errors (M05, M06)
2	Msunduzi	Stage 2 - Segment errors (M02, M03, M05), Outstanding (M06)	5	Richmond	Outstanding (M05, M06)
3	Nkandla	Outstanding (M06)	6	uPhongolo	Outstanding (M06)

Source: National Treasury LG data base

Subsequent to the legislated due date the following municipalities submitted the outstanding data strings prior to the close of the second quarter:

- Mpofana Local Municipality submitted M06 on the 21 January 2021, however M05 remained outstanding;
- Msunduzi Local Municipality submitted M06 on the 20 January 2021;
- Nkandla Local Municipality submitted M06 on the 19 January 2021; and
- Richmond Local Municipality submitted both M05 and M06 on the 19 January 2021.

Stage 3 Validation: Reconciliation of the mSCOA data string to the Monthly MFMA Section 71 Reports

The process of verifying the alignment of the MFMA Section 71 Reports (monthly budget statement) in a prescribed Schedule C format of the MBRR and the monthly mSCOA data strings was undertaken by Provincial Treasury and the feedback was sent to all delegated municipalities on monthly basis.

Municipalities were required to investigate the variance and rectify the errors to ensure accurate reporting in all reporting platforms. Ideally, the figures as per the MFMA Section 71 reports (Schedule C) and the monthly mSCOA data strings should be perfectly aligned. However, there were variances noted for all delegated municipalities from Month 01 to Month 06.

Stage 4 Validation

Stage 4 analysis is currently in progress. This analysis will be completed prior to the February 2021 Adjustments Budget process to allow municipalities to address the concerns that have been identified. Some of the common issues included:

- Variances in Reporting for Quarter 1. This resulted in opening balances not being brought into account for reporting purposes on the data strings;
- Incorrect signs used in the rollover and capture of opening balances. This resulted in negative expenditure and revenue being reported;
- Issues as identified in the 2019/20 financial year continue to be a challenge and this was not corrected in the Budgeting process of both the Adopted process as reported above; and
- The issues on the use of segments will be reported on in the next quarter.

Provincial Treasury Support to Municipalities and Entities

Provincial Treasury has actively engaged municipalities and municipal entities through various forums, training workshops, one on one sessions, and district engagements. The following is a summary of the support provided to date:

- Appointment of the mSCOA Project manager and Advisors with effect from 13 May 2020 (Previous contract ended on the 31 March 2020);
- Support has been detailed above in terms of the In-Year Reviews undertaken and readiness for year-end (Completed from M01-M10 and M01-M12);
- Review of the AUDA 2018/19 and comparison to the opening balances in Adjustments Budget 2019/20, In-year reporting and the Audited Annual Financial Statements 2018/19;
- Assessment of the Adopted Budgets 2020/21 and feedback provided to municipalities to address;
- *Ad hoc* report prepared for the MEC for Finance on the status of implementation, effect of the COVID 19 pandemic on collection rate of identified municipalities and Modules not in use for the Province;
- Engagement with municipalities on online platforms on technical matters, vendor management and errors in reporting (ongoing);
- Review of the PAUD 2019/20 and the comparative of the RAUD 2018/19. Errors and variances were identified and communication sent to municipalities to further investigate and provide explanations for these variances. The final AUDA for the 2019/20 but be correct when submitting this in February/March 2021;

- CFO Forum held on:
 - 7 July 2020: This addressed the implementation status and alignment of the reporting; and
 - 22 October 2020: Reporting and Segment Validations, mSCOA Circular 9 – the COVID 19 pandemic Reporting and Period 13, 14 and 15 requirements.
- Preparation of presentations addressing the variance reporting matters and challenges; and
- Training on the Integrated Development Plan Process and requirements for mSCOA – Greater Kokstad Local Municipality (November 2020)

National Treasury Support

National Treasury has conducted the following engagements with the attendance of all Provincial Treasuries:

- Training on Circular 9 of the mSCOA Regulation on accounting for the COVID 19 pandemic through tTtttttttTTTtttttttaaaaaaaaa data strings via CIGFARO;
- mSCOA technical team meetings;
- mSCOA frequently asked questions (Cash flow, Segment Validation and Vendor Reporting);
- Training on the use of the wizard tool (23 September 2020);
- Standardisation Methodology on analysis of segments: 27 October 2020; and
- Training on mSCOA Balance Sheet Budgeting, Debt Impairment and Debt Write off position paper, Cash flow Mapping (Circular 10 and 11 impact), Frequently asked Questions, Construction: Work In Progress, Business Process Requirements of Circular 80 (10-11 December 2020).

Way forward

Provincial Treasury will continue to engage with the municipalities in addressing the outstanding issues via online platforms and/or site visits where possible, and frequent communication via email and telephonically as well as the various platforms such as CFO Forums and district engagements.

The focus areas of the mSCOA implementation team for the **next quarter is planned as follows:**

- Monitor and support municipalities in ensuring that the monthly data submissions are in compliance with National Treasury requirements and free from errors;
- Conduct CFO Forum on Debt Impairment and Write off, Water Inventory and Cash flow Mapping;
- Provide guidance to municipalities on system implementation issues and governance matters including onsite engagements and assessments;
- Provide guidance to municipalities in readiness for the main Adjustments Budget process of February 2021;
- Engagement with National Treasury on various technical matters, frequently asked questions, and vendor demonstrations;
- Attendance of training to be held by National Treasury and conducting a rollout of such training (where applicable) across the Province; and
- Review and provide guidance on the revised project plans to address the mSCOA implementation feedback provided.

2.18 Municipal Support and Oversight

Municipal Accounting and Reporting

Introduction and Background

In terms of the Provincial Treasury's mandate to support municipalities in strengthening their financial management capacity, Provincial Treasury is required to provide on-site financial management support to identified municipalities within the province. Due to the COVID 19 pandemic National Lockdown, on-site support could not be provided during the 2020/21 financial year.

Provincial Treasury performed an assessment of the capacity and financial management matters for the municipalities that will require assistance from the financial management support program during the 2020/21 financial year. The audit opinions of the 2018/19 audit for municipalities were as follows:

- Eighteen (18) qualified;
- Two (2) disclaimers;
- One (1) adverse;
- Thirty-two (32) unqualified; and
- One (1) clean.

A review of the audit report findings indicated that material losses, material impairments and restatement of corresponding figures received the most comment in the main audit report. Compliance matters reported centred on procurement and contract management, expenditure management, asset management, annual financial statements and irregular, fruitless and wasteful expenditure.

Annual Financial Statements (AFS) Review Support

Due to the COVID 19 pandemic National Lockdown, the due date for submission of the 2019/20 AFS was extended from 31 August 2020 to 31 October 2020, as per the Government Gazette 43582 published on 5 August 2020 and National Treasury MFMA Circular No. 104.

Provincial Treasury conducted the review of the AFS for the 2019/20 municipal financial year for identified municipalities in the province, commencing from the month of October 2020. The objective of the AFS review was to ensure that municipalities' AFS comply with the GRAP accounting framework as well as improve the quality of AFS submitted to the Auditor-General for audit. The reviews were conducted remotely to ensure compliance with the COVID-19 pandemic Regulations.

The support intervention strategy conducted by the initiative entails the following:

- Technical review of the AFS, together with supporting working papers, to ensure compliance with the accounting standards and MFMA disclosure requirements;
- Technical review of the key registers and reconciliations, e.g. fixed assets, grants, retentions, receivables, payables etc. to ensure compliance with the accounting standards and disclosure within the AFS;

- Provide technical assistance in addressing AFS review queries as required including queries from the Auditor-General on key financial statement matters having an impact on fair presentation; and
- Provide skills transfer to the internal audit component of the municipality, by providing training on the process of reviewing the AFS and working papers as well as dealing with the audit queries.

Table 25: Municipalities supported in Quarter 2 of 2020/21

No	Name of Municipality	2018/19 Audit Opinion	No	Name of Municipality	2018/19 Audit Opinion	No	Name of Municipality	2018/19 Audit Opinion
1	uMdoni	Unqualified	6	Nongoma	Unqualified	11	uBuhlebezwe	Qualified
2	uMshwathi	Qualified	7	Ulundi	Unqualified	12	uMzimkhulu	Qualified
3	iMpendle	Qualified	8	Mthonjaneni	Unqualified	13	Harry Gwala DM	Unqualified
4	Alfred Duma	Unqualified	9	Nkandla	Unqualified	14	Big Five Hlabisa	Qualified
5	Dannhauser	Qualified	10	Greater Kokstad	Unqualified	15	uMgungundlovu DM	Qualified

Source: KZN Provincial Treasury

The significant challenges identified during the AFS review were as follows:

- The impact of the COVID 19 pandemic Regulations meant that reviews had to be performed remotely relying on emailed information from municipal staff. Connectivity issues and large file transfers hindered the process in some instances as well as the COVID 19 pandemic infections resulting in office closures at some of the municipalities;
- The AFS review was significantly delayed due to the AFS still being prepared, with the majority of the reviews taking place in the last week of October 2020;
- The AFS were incomplete at the time of review, particularly asset information and supporting documentation for the AFS, including working papers;
- Audit working paper files were still in the process of being compiled and in most instances could not be reviewed in full due to the off-site review conducted as a result of the COVID 19 pandemic Regulations; and
- The intention was to transfer skills to internal audit officials at these municipalities. In many instances, internal audit officials were not appointed or not available to undertake the review with the Provincial Treasury team.

Financial Reporting

Inter-Governmental Debt Management: Municipality Debt Recovery

The primary purpose of this intervention is to facilitate the recovery of arrear departmental rates and services debt in favour of municipalities and to reduce the increasing levels of inter-governmental debt in the province.

To this end the following objectives have been identified:

- To undertake a data cleansing exercise in government departments, agencies and municipalities and the development of credible account databases in departments and municipalities; and
- To facilitate (among other incidentals arising from the intervention) the recovery of arrear rates and services debt from provincial departments and other government agencies.

Table 26 provide an executive view of the municipal debt recovery status as at 31 December 2020 for those municipalities that were supported during the current reporting period.

Table 26: Status of Municipal Debt Recovery as at 31 December 2020 in municipalities supported

No	Name of Municipality	Total debt as per age analysis (R)	Recovery to date (R)	Debt still under investigation (R)	No	Name of Municipality	Total debt as per age analysis (R)	Recovery to date (R)	Debt still under investigation (R)
1	iLembe DM	12 832 664		12 832 664	25	uMshwathi	50 774 214		50 774 214
2	KwaDukuza	15 657 252	658 741	14 998 512	26	uMngeni	2 391 779		2 391 779
3	Mandeni	10 192 592		10 192 592	27	iMpindle	5 009 137	62 974	4 946 163
4	Maphumulo	15 920 011		15 920 011	28	Richmond	20 070 206		20 070 206
5	Ndwedwe	18 938 556		18 938 556	29	Mkhambathini	4 781 618	3 112 988	1 668 630
6	Zululand DM	4 448 270		4 448 270	30	Msunduzi	241 654 051	16 991 179	224 662 872
7	eDumbe	11 715 199		11 715 199	31	uThukela DM	33 523 674	4 800	33 518 874
8	AbaQulusi	24 801 625		24 801 625	32	Alfred Duma	96 300 589	114 465	96 186 123
9	Ulundi	91 725 677		91 725 677	33	Okhahlamba	31 829 332	79 651	31 749 681
10	Nongoma	38 604 918	10 936 642	27 668 276	34	iNkosi Langalibalele	33 302 324		33 302 324
11	uPhongolo	7 680 000		7 680 000	35	King Cetshwayo DM	5 796 508	840 996	4 955 512
12	Amajuba DM	7 397 236		7 397 236	36	uMhlathuze	75 150 885	12 114 009	63 036 876
13	Newcastle	34 390 553		34 390 553	37	uMfolozi	3 722 623		3 722 623
14	Dannhauser	9 620 513		9 620 513	38	Mthonjaneni	7 989 612	49 918	7 939 694
15	uMzinyathi DM	20 053 191		20 053 191	39	Nkandla	12 428 236		12 428 236
16	uMvoti	11 315 090	1 208 440	10 106 650	40	uMlalazi	39 470 756	701 100	38 769 656
17	eNdumeni	25 631 553		25 631 553	41	Ugu DM	40 743 509	513 917	40 229 592
18	uMsinga	29 499 265		29 499 265	42	uMdoni	18 049 868		18 049 868
19	Harry Gwala DM	9 836 284	170 816	9 665 467	43	Ray Nkonyeni	21 339 045		21 339 045
20	Dr Nkosazana Dlamini Zuma	15 161 948	4 349 754	10 812 194	44	uMkhanyakude DM	24 111 710		24 111 710
21	uBuhlebezwe	7 646 186	372 593	7 273 593	45	Big Five Hlabisa	10 268 164		10 268 164
22	uMzimkhulu	5 876 232	2 326 678	3 549 554	46	Jozini	19 265 687		19 265 687
23	Greater Kokstad	63 286 551		63 286 551	47	uMhlabayalingana	25 488 923		25 488 923
24	uMgungundlovu DM	25 885 846		25 885 846					

Source: KZN Provincial Treasury

Special Debt Recovery Projects on the request of Government Agencies and the Executive

Table 27 presents an executive overview of the status of interventions undertaken by the Financial Reporting Unit in specific municipalities listed below on the request of municipalities/Chief Financial Officers/Administrators/Municipal Managers.

Table 27: Status of Special projects undertaken as at 31 December 2020

No	Name of Municipality	Nature of Support	Recovery to date (R)	Debt escalated for recovery (R)
1	Msunduzi	Recovery from organs of state	16 991 179	224 662 872
2	uThukela DM	Recovery from organs of state	4 800	33 518 874
3	King Cetshwayo DM	Recovery from organs of state	840 996	4 955 512
4	Ugu DM	Recovery from organs of state	513 917	40 229 592

Source: KZN Provincial Treasury

Project Risks, Challenges and Dependencies

The recurring challenges that frustrate the effective and efficient implementation of support initiatives are:

- Lack of discipline and specific skills to implement recommended support initiatives;
- Undue reliance placed on KZN Treasury officials to effect changes/improvements without the requisite support of officials from client agencies/service providers;
- Ownership of land held under the Ingonyama Trust is still in dispute, an issue that is beyond the scope of officials in the debt recovery team in the Financial Reporting Unit;
- The vesting process with respect to properties registered in the name of “RSA” is incomplete. These properties could either be National Public Works, Provincial Public Works, National Department of Rural Development and Land Reform or Human Settlements properties. Amounts for property rates are still being levied by various municipalities in respect of these properties. These amounts will only be paid once the vesting process is completed. It should be noted that these outstanding amounts are attracting interest;
- Certain municipalities are sending billings to the wrong departments. (For example, Provincial Bills are being sent to National and vice versa), despite the concerted efforts of the Debt Management Team at Provincial Treasury in the development of an accurate accounts data base in municipalities and departments;
- The payment for services with respect to Section 21 schools remains a concern. It would appear that funding received from certain Section 21 schools is inadequate to cover the costs of services billed; and
- A review of certain municipal billing systems has revealed that there are accounts that have a combination of rates and service charges. These accounts need be separated and sent to the correct departments in cases where the owner and the tenant department are not the same. Hence, the accuracy and robustness of the billing systems in municipalities need to be addressed by competent municipal officials dedicated to that purpose.

Recommendations

The following initiatives are recommended to ensure the timeous achievement of deliverables:

- The formation of a working task team comprising Provincial Treasury, National and Provincial Departments of Works to ensure a collaborative working engagement with relevant municipalities to achieve a sustainable resolution to the challenges outlined above. The task team will, inter alia, map out a coherent process flow between the client agencies to ensure an understanding of the roles to be played by each of them in respect of addressing the following:
 - Determining the ownership of properties;
 - Accurate and timeous billing procedures;
 - The setting up of a rates forum between the Department of Public Works and municipalities to address future rates issues and disputes;
 - Addressing strategic issues such as Schools Debt, Ingonyama Trust Board (ITB), rental property, etc. which is beyond the control and competency of the debt team; and
 - Addressing the long-standing issue of ITB properties and finding sustainable solutions in the recovery of arrear debt.
- Municipalities must effectively manage all functions and implement all actions that impact municipalities in protecting and growing their revenue base. The implementation of internal controls along the revenue value chain will aid in effective account data management, billing and collection management in utilising system data validation mechanisms and in ensuring that service level standards are fundamental to the integrity of billing data. Municipalities tend to neglect these basics and opt for costly ‘data cleansing’ exercises; however it is the protection of data integrity at the source that will yield longer-term benefits.
- The following are fundamental in maximising the potential of inter-governmental debt management as an existing revenue source:
 - The billing system must correctly reflect all billing data and department data required to issue an accurate invoice on time to the relevant department;
 - Billing queries must be resolved within reasonable timeframes by municipal officials dedicated to the task; and,
 - Municipal Revenue and Debt Units must be adequately staffed with competently skilled individuals who are dedicated to such function with the full understanding of the job requirements and how to deliver on them.

In order to ensure that the property ratepayers are affordably charged, the Municipal Property Rates Act (2004) empowers the Minister of the Department of Co-operative Governance and Traditional Affairs (CoGTA) to determine the ratios to be followed when levying the charges for property rates among the different residential and non-residential categories of properties. The determination of different ranges of property rates ratios ensures that the existence of public institutions referred to as ‘public benefit organizations’, such as schools and welfare and humanitarian organizations, is not jeopardised.

Norms and Standards

Strategic Objective

The strategic objective of the Norms and Standards unit is to develop, review and monitor compliance with financial norms and standards in municipalities and entities to enhance financial management.

Policy assistance

The unit assisted three municipalities with the development/review of their finance-related policies in Quarter under review. Hereunder is table indicating municipalities concerned.

Table 28: List of municipalities supported by Norms and Standards during Quarter 2 of 2020/21

No	Name of Municipality	Policies Developed / Reviewed	No	Name of Municipality	Policies Developed / Reviewed
1	uMlalazi	Budget Policy Investment and Cash Management Indigent Tariffs	2	Nquthu	Tariffs Credit Control
			3	Maphumulo	Virement Policy

Source: KZN Provincial Treasury

Public Private Partnership (PPP)

During the quarter under review, the following municipalities shown in Tables 29(a), 29(b) and 29(c) were supported by PPP Unit.

Table 29 (a): List of municipalities supported by PPP during Quarter 2 of 2020/21 financial year

Name of Municipality	Gaps Identified	Recommendations	Progress thus far
KwaDukuza Local Municipality - Waste Removal services	<p>Appointment of a Private Party:</p> <p>The Municipality had concluded procurement processes and appointed a Private Party to undertake the services. Prior to the commencement of drafting of a finalised contract, KZN Provincial Treasury workshopped the parties on the requirements of Contract Management, and all auxiliary matters, with the view of preparing them to undertake this process. KZN Provincial Treasury thereafter assisted the parties in drafting and finalising the contract, which was signed in October 2020. The contract provided conditions precedent, which required the parties to finalise the schedules to the contract within 3 months, with the date of 31 January being set. This was undertaken with the assistance of Provincial Treasury and all documents were complete and signed by 31 January 2021.</p>	<p>The municipality will need to review the Contract Management Plan and the implementation of Economic transformation goals as contained in the contract. A cogent plan for implementation of this will still need to be fleshed out.</p>	<p>The Parties, with the assistance from KZN Provincial Treasury, finalised the schedules to the contract, which were signed by 31 January 2021. The Municipality has undertaken within the next 2 months to attend to all outstanding matters in the schedules. The project, however, has commenced with the private party providing the services required.</p>
uMvoti Local Municipality – Forestry PPP	<p>Project Registration:</p> <p>The municipality is awaiting finalisation of the registration of the project from National Treasury and hence are unable to continue with its own internal SCM processes until given the go ahead from National Treasury.</p> <p>Transaction Advisor:</p> <p>The municipality does not have a designated Transaction Advisor as required by the Municipal PPP Regulations and the PPP manual.</p>	<p>The municipality should liaise with National Treasury to determine how far the process is with regards to the registration of the project.</p> <p>The consultant hired by the municipality caters predominantly for the technical element of a Transaction Advisor and would have to outsource the finance and legal streams and form a consortium that would serve as the project's Transaction Advisor.</p>	<p>No feedback has been received from National Treasury on the registration of the project.</p> <p>The consultant was tasked to furnish its profile, to evaluate its skills and experience composition. That information is still outstanding.</p>
uMhlathuze Local Municipality- Airport Relocation	<p>Appointment of Transaction Advisor</p> <p>The municipality has identified the need to investigate the feasibility and affordability of the different procurement options which will provide the best technical, financial and legal solution in delivering the project, however, the municipality does not have the technical capacity or expertise to undertake the feasibility study. The Municipality has undertaken procurement processes and a Transaction Advisor has been appointed to the project. An inception report has been tabled to the steering committee with a project plan being prepared and presented. A site visit of the project sight was conducted with all parties represented. The Municipality is in the process of negotiating the contract with the Transaction Advisor, which was at an advanced stage at the last Steering Committee meeting held in November 2020. Once this is finalised, the Transaction Advisor will attend to the preparatory work require to commence with a detailed feasibility study.</p>	<p>It is recommended that the contract be finalised by the legal Unit of the Municipality urgently.</p>	<p>Transaction advisor appointed, with Feasibility study investigation already commenced</p>
iLembe District Municipality - Siza Water Concession	<p>The Five Year Plan:</p> <p>Clause 58 provides for the development of a five year plan, at five year intervals, which must be approved by council at least four months before the end of the current five year period and it is a mechanism to identify capital works to be undertaken within the concession area over the preceding five year period.</p>	<p>The deadline for the finalisation of the current five year plan has lapsed and the municipality needs to finalise the five year plan as a matter of urgency,</p>	<p>The five year plan has still not been finalised and approved by the municipality.</p>

Source: KZN Provincial Treasury

Table 29(b): List of municipalities supported by PPP during Quarter 2 of 2020/21 financial year continued

Name of Municipality	Gaps Identified	Recommendations	Progress thus far
uMhlathuze Local Municipality - Waste Water and Associated By-Product Reuse	<p>Water demand</p> <p>The preparatory work undertaken identified that the water demand in year 2025 is expected to increase by 75 percent from the current levels and is expected to exceed the current lawful water use by the Municipality within the next few years. Whilst the long-term water supply solution for City of uMhlathuze will be multifaceted and multi-phased, the imminence of the supply shortfall requires a solution which will yield results in the near term.</p>	<p>National Treasury advised the municipality to undertake the comprehensive feasibility study in accordance with Section 120 of the MFMA, the Municipal PPP Regulations (1 April 2005) and the Municipal PPP Guidelines (2007) to determine the viability of reusing treated waste water in order to augment its other sources of water supply and specifically assess the desirability and viability of procuring a PPP as the delivery mechanism for the preferred technical solution.</p>	<p>The feasibility study report was submitted by the uMhlathuze Local Municipality to National and Provincial Treasury for Treasury Views and Recommendations: I (TVR: I). Subsequently, the views and recommendations were granted by National and Provincial Treasury which reflected that that the project is affordable with value for money and risk transfer if the project is procured as a PPP. The feasibility study, together with the views and recommendations was submitted to the municipal executive council and the municipal council and was approved by both bodies.</p>
		<p>National Treasury and Provincial Treasury advised the municipality to draft the procurement documents and solicit treasury views and recommendation: IIA before the documents can be issued to the market.</p>	<p>The Transaction Advisor assisted the municipality in drafting the Request for Qualification (RFQ) that will be issued to the market for the construction and operation of waste water treatment plants. The municipality solicited the comments from Provincial Treasury, National Treasury, Development Bank of Southern Africa and Department of water and sanitation with regards to RFQ. The municipality is finalising the internal processes before the RFQ can be issued to the market.</p>
			<p>The Transaction Advisor assisted the municipality in drafting the Request for Proposal (RFP) that will be issued to the prequalified bidders for the construction and operation of waste water treatment plants. The municipality solicited the comments from Provincial Treasury, National Treasury, Development Bank of Southern Africa and Department of water and Sanitation.</p>
	<p>Transaction Advisor's Contract</p>		
	<p>The transaction advisor were appointed for the period of 3 years and the contract came to an end after the drafting of the RFQ document.</p>	<p>The Project Steering Committee advise the municipality to find avenues to reappoint the same transaction advisor.</p>	<p>The municipality reappointed the same transaction advisor to assist in the procurement processes until the appointment of the private party for the construction and operation of waste water treatment plants.</p>
	<p>Use of Portable Water Bylaws</p>		
	<p>The industries around Richards Bay (off-takers) have contracts with the water board (uMhlathuze Water) to purchase the portable water at a lower tariff than what the municipality would charge for treated water which is due to expire at the end of year 2021 and they are in a process to renew the contract when the current contract comes to an end.</p>	<p>National Treasury and Provincial Treasury recommended that the municipality appoint consultants that will assist the municipality in drafting a bylaws that will restrict other water services institutions to sell portable water to off-takers for industrial use.</p>	<p>The consultants were appointed to assist with amendment of bylaws. The consultants drafted the bylaw and forwarded it to the municipality's bylaws committee for comments and finalisation. The municipality's bylaws committee approved the proposed bylaws. The bylaws are yet to be gazetted owing to the fact that the municipality has not settled its account for advertising.</p>

Source: KZN Provincial Treasury

Table 29(c): List of municipalities supported by PPP during Quarter 2 of 2020/21 continued

Name of Municipality	Gaps Identified	Recommendations	Progress thus far
iLembe District Municipality - Siza Water Concession (cont...)	Etete - Phase 4 Housing Project		
	<p>This project has stalled over the past years due to a lack of financial commitment by the concessionaire and the municipality on the implementation of bulk infrastructure and the subsequent maintenance. Initially, the concessionaire had requested that the quality of the bulk infrastructure to be installed, meet the specifications that have been outlined.</p>	<p>According to the concession agreement, the concessionaire is responsible for the maintenance of all water and wastewater services within the concession area.</p>	<p>The concessionaire has agreed to co-fund the installation of meters required for the first phase of the project but on condition that smart meters are installed and are the correct specifications.</p>
	Skills Development, B-BBEE and SMME:		
	<p>Clause 53.9 mandates the concessionaire, through direct contracting and through its sub-contractors, promote 15 percent of the investment in works to BEE and SMME components, within the concession area.</p>	<p>The municipality is urged to consider the review of the amount spent towards SME's to be aligned to prevailing Broad Based Black Economic Empowerment legislation, which advocates for 30 percent procurement contract spend on black owned SME.</p>	<p>The concessionaire has forecast to spend 52.7 percent in the 2020 financial year of its capital budget to local black Emerging Micro Enterprises (EME's).</p>
	Performance Monitoring:		
	<p>Performance monitoring has been a constant hindrance for the majority of the concession and has meant that there has not been any constant independent verification of the work done by the concessionaire.</p>	<p>The municipality must establish and implement a contract monitoring structure, which must have sufficient capacity to conduct monitoring of technical, operational, financial, legal and socio-economic obligations of the concessionaire. The structure must be headed by a contract monitoring officer, with powers and authority delegated by the accounting officer.</p>	<p>The absence of a monitoring framework upon which the concessionaire's performance can be objectively measured without necessarily placing re-active reliance on the information in the reports periodically provided by the concessionaire, is a concern and needs to be addressed by the municipality..</p>
	Profit sharing:		
	<p>The municipality has engaged with the concessionaire to negotiate possible sharing of the concessionaire's profit at an earlier date, before reaching the Internal Rate of Return (IRR) of 15 percent, as stipulated in the second supplementary agreement of the concession agreement. The concession contract states that the municipality will be able to share in the concessionaire's profits if the historical returns achieved by the concessionaire are in excess of 15percent, as determined in the financial model. A review undertaken in 2017 projected that the IRR will be reached in the year 2024.</p>	<p>An analysis of the concessionaire's financial model and performance will need to be undertaken to ascertain as to when the targeted IRR will be reached and a recommendation will be made subsequently as to how to deal with the sharing of profits.</p>	<p>Following the review of the concessionaire's financial model, discussions between the two parties will have to commence.</p>
	Concession Fee:		
	<p>Clause 5.5.2 provides that the quantum of the annual fee payable in should be equal to the costs to be incurred by the municipality in undertaking and fulfilling its regulatory duties pursuant to the contract and applicable regulatory provisions.</p>	<p>The municipality should utilise the concession fee in monitoring the concession i.e. in fulfilling its regulatory and contractual obligations.</p>	<p>The concession fee is recorded in the concessionaire's financials, however it is not evident as to how the municipality utilises these funds.</p>
Performance and Service Levels:			
<p>The concessionaire agreement is not explicit on the targets of service levels that should be achieved in certain areas within the concession area.</p>	<p>The municipality should utilize its policy requirements and strategic service delivery targets to inform performance indicators and National water quality testing norms and standards should be incorporated into the Agreement and regular monitoring criteria as a performance target and service level.</p>	<p>The current service levels are very ambiguous. The municipality is to determine what are the service levels for settlements and the responsibility of the concessionaire in meeting those levels and also to provide a review of the performance targets for service levels as they are outdated</p>	
Water Services Area			
<p>Clause 5.2 of the concession agreement, read in conjunction with Sections 77 and 78 of the Municipal Systems Act (MSA), provides that a municipality is required to review and decide on the appropriate mechanism to provide a municipal service, the determination of which must be done by way of an assessment in terms of the criterion for deciding on mechanisms to provide municipal services, hence the incorporation of a new area to which the municipality has an obligation to service should be treated separately within the framework of section 78 of the MSA.</p>	<p>The municipality should determine what legal considerations it should undertake prior to engaging the concessionaire on expanding the Water Service Area?</p>	<p>The municipality needs to consider whether it is an inherent right that all new water service areas outside the concession area should be serviced by the concessionaire. This matter is being investigated and will form part of 5 year plan review taking place</p>	

Source: KZN Provincial Treasury

Banking and Cash Management

Quarterly Withdrawals from Municipal Bank Accounts

Background

In terms of Section 11(4) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) “*The accounting officer must within 30 days after the end of each quarter: -*

- (a) *table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and*
- (b) *submit a copy of the report to the relevant Provincial Treasury and the Auditor General.”*

Municipalities were provided with National Treasury MFMA Circular No. 61 on Banking, Overdrafts and Investments, dated April 2012.

Progress/Outcome

The uMkhanyakude District Municipality has not submitted the first quarterly withdrawal report in respect of the 2020/21 financial year. Table 30 lists the municipalities that have not submitted the second quarterly withdrawal report in respect of the 2020/21 financial year.

Table 30: Municipalities that have Outstanding Withdrawal Quarterly Reports for Quarter 2 of 2020/21

No	Name of Municipality	No	Name of Municipality	No	Name of Municipality	No	Name of Municipality	No	Name of Municipality
1	uMuziwabantu	8	Ray Nkonyeni	15	uThukela DM	22	Okhahlamba	29	Ulundi
2	Dannhauser	9	uMhlabyalingana	16	Big Five Hlabisa	23	Jozini	30	uMhlatuze
3	Mtubatuba	10	Ndwedwe	17	iLembe DM	24	Newcastle	31	Msunduzi
4	Mandeni	11	uMshwathi	18	eDumbe	25	uMngeni	32	Zululand DM
5	uPhongolo	12	iMpendle	19	Harry Gwala DM	26	Mkhambathini	33	AbaQulusi
6	Greater Kokstad	13	uMzinyathi DM	20	uBuhlebezwe	27	Nquthu	34	uMlalazi
7	uMzimkhulu	14	uMsinga	21	Richmond	28	Mthonjaneni	35	Nongoma

Source: KZN Provincial Treasury

Status of support offered to Municipality

Background

Provincial Treasury to assist all municipalities during the 2020/21 financial year in respect of the following Sections of the MFMA:

- Section 11(4) – Quarterly bank withdrawal reports;
- Section 8(5) – Primary Bank Account;
- Section 9(b) – Details of all bank accounts details before year-end;

- Section 45(4) (a) – Short Term Debt; and
- Section 13 – Investment and Cash Management Policy.

Progress/outcome

Visit municipalities when required to provide assistance on the above applicable Sections of the MFMA.

During the Second Quarter of the 2020/21 financial year, telephonic support has been provided to municipalities on the above applicable Sections of the MFMA when requested.

Bank Accounts

Background

In terms of Sections 9 and 86 of the MFMA, the Accounting Officer of a municipality and municipal entity must submit to Provincial Treasury in writing:

(a) within 90 days after opening a bank account, the details of such new bank account; and

(b) annually, before the start of the financial year, the name of each bank where the municipality/municipal entity holds an account.

Progress/ Outcome

Provincial Treasury monitors changes to primary bank accounts.

During July 2020, a request in terms of Sections 9(b), 86(1)(b) and 86(2) of the MFMA was sent to all municipalities requiring the Accounting Officer to submit a schedule of all bank accounts held by the municipality and by any municipal entities. A second reminder was sent out in January 2021

Table 31 lists the municipalities that have not submitted their bank account details with respect to the 2020/21 financial year.

Table 31: Municipalities that have not submitted their bank account details in respect of the 2020/21 financial year

No	Name of Municipality	No	Name of Municipality	No	Name of Municipality	No	Name of Municipality	No	Name of Municipality
1	uMgungundlovu	10	uMshwathi	19	Mkhambathini	28	uMvoti	37	uMhlabayalingana
2	iMpendle	11	Msunduzi	20	Nquthu	29	AbaQulusi	38	iLembe DM
3	uMzinyathi DM	12	eNdumeni	21	uPhongolo	30	uMlalazi	39	Maphumulo
4	Zululand DM	13	eDumbe	22	uMhlathuze	31	Greater Kokstad	40	Jozini
5	Ulundi	14	uMfolozi	23	Harry Gwala DM	32	uMdoni	41	Mandeni
6	Mthonjaneni	15	Nkandla	24	Dr. Nkosazana Dlamini Zuma	33	Okhahlamba	42	uMngeni
7	uBuhlebezwe	16	uMzimkhulu	25	uThukela DM	34	uMkhanyakude DM	43	KwaDukuza
8	uMzambe	17	uMuziwabantu	26	Dannhauser	35	Big Five Hlabisa	44	Mpofana
9	Amajuba DM	18	eMadlangeni	27	Mtubatuba	36	Ndwedwe	45	Richmond

Source: KZN Provincial Treasury

Cash Management and Investments

Background

In terms of Section 13(1) of the MFMA, *the Minister, acting with the concurrence of the Cabinet member responsible for local government, may prescribe a framework within which municipalities must—*

- (a) conduct their cash management and investments; and*
- (b) invest money not immediately required.*

Section 13(2) of the MFMA further states that *a municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed in terms of subsection (1).*

Progress/ Outcome

All municipalities were provided with:

- The municipal Investment Regulations (Government Gazette No. 27431); and
- A generic investment policy.

The Regulations and the generic policy were to be used by municipalities to tailor their own Investment Policy in order to ensure compliance with the regulations and to make economically beneficial investments.

Impending Overdrafts

Background

In terms of Section 70(2) of the MFMA, *if a municipality's bank account, or if the municipality has more than one bank account, the consolidated balance in those bank accounts, shows a net overdraft position for a period exceeding a prescribed period, the Accounting Officer of the municipality must promptly notify the National Treasury in the prescribed format of-*

- (a) the amount by which the account or accounts are overdrawn;*
- (b) the reason for the overdrawn account or accounts; and*
- (c) the steps taken or to be taken to correct the matter.*

In terms of Section 101 of the MFMA, *(1) the Accounting Officer of a municipal entity must report, in writing, to the board of directors of the entity, at its next meeting, and to the Accounting Officer of the entity's parent municipality any financial problems of the entity, including-*

- (a) any impending or actual-*
 - (i) under collection of revenue due;*

- (ii) *shortfalls in budgeted revenue;*
- (iii) *overspending of the entity's budget;*
- (iv) *delay in the entity's payments to any creditors; or*
- (v) *overdraft in any bank account of the entity for a period exceeding 21 days; and*

(b) *any steps taken to rectify such financial problems.*

(2) *The Accounting Officer of the municipality must table a report referred to in subsection (1) in the municipal council at its next meeting.*

National Treasury MFMA Circular no. 61 on Banking, Overdraft and Investments, dated April 2012 further states that *if the bank account, or if the municipality or municipal entity has more than one bank account, the consolidated balance in those bank accounts shows a net overdrawn position for a period exceeding 3 months, the Accounting Officer of the municipality must notify the National Treasury (Form F) within 14 days after the 3 months period lapses for municipalities and 21 days for municipal entities.*

Progress/ Outcome

Municipalities were made aware of the reporting requirements of Sections 70 and 101 of the MFMA via written correspondence in July 2020 and in December 2021.

No municipality reported any impending overdrafts during the second quarter of the 2020/21 financial year.

Supply Chain Management (SCM)

Scope of Provincial Supply Chain Management Municipal Support Initiatives

Routine Compliance assessment

The Provincial SCM Unit conducts routine compliance assessments in municipalities to ensure proper implementation and compliance with all the relevant SCM prescripts. These assessments inform all the other support initiatives that are provided by the Provincial SCM Unit as they highlight the level of compliance across the entire province.

Only forty-two (42) municipalities submitted their Procurement plans and letters have been issued to those eleven (11) municipalities that has not submitted. Twenty (20) municipalities were assessed on various assessments i.e Assessment audit-improvement plan, Advice and Disposal comments during Quarter 2 (October 2020 to December 2020) as reflected in Table 32. The findings and recommendations were communicated in a form of reports to the Municipal Managers. While findings differ per municipality, the challenge with municipalities is repeat findings. There were seven (7) trainings conducted covering Bid committees and Local production content in order to address the challenges noted.

Table 32: Lists municipalities where Compliance Assessments were conducted

No	Name of Municipality	Support Initiative/Project	Commencement Date	Estimated Completion Date	Progress to Date
1	Nongoma	Compliance assessment	22-Nov-20	27-Nov-20	SCM policy is developed and reviewed Bid Committees are established in accordance with MSCM regulation 26 (2)
2	Zululand DM	Compliance assessment	17-Nov-20	20-Nov-20	SCM Manager post was filled New proposed structure is aligned to the SCM element SCM Policy is in place and reviewed in May 2020 SCM delegations and SOP are in place
3	eDumbe	Support	01-Dec-20	04-Dec-20	SCM policy is in place and reviewed SCM delegations and SOP are in place Infrastructure policy was adopted by the Council SCM Manager post is filled
4	uBuhlebezwe	Advice	05-Nov-20	16-Nov-20	Submission of procurement plan and reporting on implementation Policy review
5	Greater Kokstad	Advice	27-Oct-20	04-Nov-20	Submission of quarterly reports on the implementation of a procurement plan Functional Bid Committees which are established in compliance with MSCM regulation 26(2)
6	uMsinga	Advice	22-Oct-20	22-Oct-20	Completed – Report issued
7	Msunduzi	Disposal Comments	30-Oct-20	14-Dec-20	Completed – Report issued
8	Nquthu	Advice	23-Oct-20	02-Nov-20	Completed – Report issued
9	Nquthu	Assessment: Audit Improvement Plan	02-Oct-20	14-Oct-20	Completed – Report issued
10	uMzinyathi DM	Advice	26-Oct-20	02-Nov-20	Completed – Report issued
11	uMgungundlovu DM	Advice	27-Oct-20	02-Nov-20	Completed – Report issued
12	Msunduzi	Disposal Comments	05-Oct-20	21-Oct-20	Completed – Report issued
13	Msunduzi	Disposal Comments	30-Oct-20	09-Dec-20	Completed – Report issued
14	uMgungundlovu DM	Advice	23-Oct-20	02-Nov-20	Completed – Report issued
15	Ray Nkonyeni	Advice: Comments in terms of Section 33 of the MFMA	02-Nov-20	02-Nov-20	Completed – Report issued
16	Newcastle	Assessment: Audit Improvement Plan	26-Oct-20	01-Dec-20	Completed – Report issued
17	uMzambe	Assessment: Audit Improvement Plan	29-Oct-20	09-Dec-20	Completed – Report issued
18	eMadlangeni	Assessment: Audit Improvement Plan	05-Nov-20	24-Nov-20	Completed – Report issued
19	uMuziwabantu	Assessment: Audit Improvement Plan	16-Oct-20	21-Oct-20	Completed – Report issued
20	Amajuba DM	Assessment: Audit Improvement Plan	27-Oct-20	03-Nov-20	Completed – Report issued
21	uMdoni	Advice	17-Nov-20	24-Nov-20	Completed – Report issued
22	Mandeni	Advice	09-Nov-20	23-Nov-20	Completed – Report issued
23	uMlalazi	Advice	03-Aug-20	12-Oct-20	Completed – Report issued
24	uMlalazi	Advice	14-Oct-20	05-Nov-20	Completed – Report issued
25	uMhlathuze	Advice	04-Nov-20	17-Nov-20	Completed – Report issued

Source: KZN Provincial Treasury

Workshops

The SCM unit conducted trainings at seven (7) municipalities in quarter 2 for Bid Committees, Supplier development and Local Content and Production as reflected in Table 33.

Table 33: Lists municipalities where training was conducted from October to December 2020

No	Name of Municipality	Training
1	Mandeni	Supplier Development
2	uMhlabuyalingana	Local Production and Content
3	uMzimkhulu	Bid Committee
4	Greater Kokstad	Bid Committee
5	Nongoma	Local Production and Content
6	uThukela DM	Bid Committee
7	Nkandla	Bid Committee

Source: KZN Provincial Treasury

Consideration of Requests for Regulation 32

In May 2017, Provincial Treasury issued KZN Municipal Circular No. 01 which mandates municipalities to obtain the consent of the Provincial Treasury prior to participating in a contract arranged by another organ of state. The aim of this support initiative is to curb the irregular expenditure that municipalities incur through contracts arranged by other organs of state. There were no requests from the municipalities pertaining to Regulation 32 in quarter 2.

Deployment of resources for support

The Provincial SCM Unit deploys external resources to municipalities with distressed SCM units or where there is a lack of capacity at management level within the SCM units. These resources are not involved in operational work and do not hold any delegations, but they provide on-site guidance, support and mentorship of SCM officials in municipalities. Due to the COVID-19 pandemic, there were no resources deployed for quarter 2 (October 2020 to December 2020) for safety reasons.

Policy guidelines

The Provincial SCM Unit issues Provincial Circulars in terms of Sections 5(3)(b) and 5(3)(c) of the MFMA. The purpose of these Circulars in addition to what is prescribed under the functions of the Provincial Treasury is to guide uniformity in practice and procedure.

Contract Management

The Provincial SCM Unit has implemented Contract Management at all 53 Municipalities within the Province. The purpose of the contract management system is to reduce irregular expenditure through ensuring that proper management of contracts, from their inception right through to close out, is undertaken.

The Provincial SCM Unit conducted an analysis of the Expenditure Reports and Contract Register of Municipalities to assess the extent of implementation of contract management. Comprehensive reports based on the outcome of the desktop exercise undertaken have been completed and sent to twenty-six (26) Municipalities. Municipalities are currently working on action plans.

Table 34: Reflect status of Contract management reviews conducted

No	Name of Municipality	Status	No	Name of Municipality	Status
1	AbaQulusi	Completed	14	uMuziwabantu	Completed
2	Amajuba DM	Completed	15	uMvoti	Completed
3	Alfred Duma	Completed	16	uMzikhulu	Completed
4	Big Five Hlabisa	Completed	17	uMzinyathi DM	Completed
5	Greater Kokstad	Completed	18	uPhongolo	Completed
6	Mkhambathini	Completed	19	uThukela DM	Completed
7	Mpofana	Completed	20	eNdumeni	Completed
8	Mtubatuba	Completed	21	eDumbe	Completed
9	Newcastle	Completed	22	uMsinga	Completed
10	Nquthu	Completed	23	uMkhanyakude DM	Completed
11	Okhahlamba	Completed	24	uMhlabayalingana	Completed
12	Richmond	Completed	25	uMgungundlovu DM	Completed
13	uBuhlebezwe	Completed	26	Ugu DM	Completed

Source: KZN Provincial Treasury

Other Support Interventions

Tables 35 and 36 list all other support programs undertaken by the SCM Unit during Quarter 2. Only twelve (12) municipalities successfully uploaded employee information on the Central Supplier Database (CSD). There is resistance from the municipalities as officials are reluctant to upload the employee personnel files. Officials are not reachable telephonically nor via email for long durations due to connectivity problems at the municipalities. Some vendor systems cannot extract data as prescribed by the CSD templates (fields) and that leads to delays in uploading data since there has to be human interference. Most of the systems have not interfaced with the CSD to extract the files required for the uploads. Table 36 depicts the number of bid appeals received in quarter 2 for the period from October to December 2020. The unit is continuing with this initiative.

Table 35: Lists municipalities that successfully uploaded employee information on CSD

No	Name of Municipality	No	Name of Municipality	No	Name of Municipality
1	uMdoni	5	Ugu DM	9	Dr Nkosazana Dlamini Zuma
2	Nquthu	6	AbaQulusi	10	Mthonjaneni
3	Nkandla	7	iNkosi Langelibalele	11	uMzimkhulu
4	uMhlatuze	8	ULundi	12	Amajuba DM

Source: KZN Provincial Treasury

Table 36: MBAT Quarterly Report

2020/21 Financial Year	Total appeals	Withdrawn	Late appeals	Still open	Closed appeals
Quarter 2: October to December 2020	16	3	0	11	2

Source: KZN Provincial Treasury

Internal Audit

Purpose

The purpose of this report is to provide the status of the **Risk management, Internal Audit and Financial misconduct regulations** support to municipalities and municipal entities undertaken by the Internal Audit Unit as at 31 December 2020.

Risk and advisory services municipal support initiatives for the period 31 October 2020 to 31 December 2020.

Table 37: List of Risk Management initiatives undertaken in Quarter 2 of 2020/21

No	Activity	Challenges
1	LG Risk Management Framework	Finalised with minor challenges.
2	Risk assessment	Connectivity challenges and unavailability of key personnel.
3	Training and awareness	None
4	Review of risk management documents (risk register, policy, strategy etc.)	None

Source: KZN Provincial Treasury

Table 38: List of Internal Audit support undertaken in Quarter 2 of 2020/21

No	Activity	Challenges	Solutions
1	LG Internal Audit Framework	Progress is slow as there's no dedicated resource. Submission for resources made.	Awaiting approval of the submission.
2	Provision of IT General Controls Reviews	Support has been halted due to unavailability of resources.	IT Risk Specialist has been allocated to municipal support to address all ICT related needs. Only certain requests will be attended.
3	IAU Plans Review	This was not done. Guidance was provided to COGTA to conduct the exercise.	Guidance documents developed for guidance purposes.
4	Capacity Building (provision of audit support)	Capacity challenges.	Submission for additional resources has been made and awaiting feedback from the acting HOD.
5	IA & AC Review	Halted due to capacity challenges.	Submission for additional resources made and awaiting outcome from the acting HOD.

Source: KZN Provincial Treasury

Table 39: List of Audit Committee support undertaken in Quarter 2 of 2020/21

No	Activity	Comments
1	Induction and training	One session was conducted online and two attended at the municipal premises.
2	Audit Committee meeting	Attendance has improved since most meetings are held virtually.

Source: KZN Provincial Treasury

Table 40: List for Regulation on Financial Misconduct Procedure and Criminal Proceedings initiatives undertaken in Quarter 2 of 2020/21

No	Activity	Comments
1	Awareness and training	Lack of attendance by relevant officials.
2	Monitoring & reporting	Target to be achieved

Source: KZN Provincial Treasury

Table 41: Municipal Public Accounts Committee training undertaken in Quarter 2 of 2020/21

No	Activity	Comments
1	Training	Done jointly with COGTA – online options are being explored

Source: KZN Provincial Treasury

Internal Audit and Risk Management Forum

One forum was hosted jointly with CoGTA.

Risks/Challenges

Table 42: List risks/challenges noted and solutions

No	Risk/challenge	Solutions
1	Covid-19 infections	Virtual engagements
2	Delays in finalising projects	Project weekly/monthly schedule
3	Mentoring and supervision compromised	Virtual engagements
4	IA activities not performed	Submission for additional resources made.

Source: KZN Provincial Treasury

Municipal Support Program

The Municipal Support Program (MSP) within the Municipal Finance Management Unit was established to assist and provide technical support to delegated municipalities in financial distress. The main objective of the Program is to identify the root cause of financial problems experienced by municipalities, support municipalities where their financial sustainability is threatened and implement support initiatives that will assist municipalities to improve their financial health.

Due to the COVID 19 pandemic National Lockdown, the MSP was not able to provide intensive on-site support as planned with the implementation of the Grant Management training programme. The MSP was required to revise its strategy and therefore worked closely with the Municipal Accounting and Reporting sub-programme to identify suitable support initiatives that can assist municipalities to improve their financial sustainability. The revised support initiative was introduced which entailed conducting pre-audit assessments at selected municipalities. The support initiative was implemented remotely from July 2020 and was aimed to assess the selected municipalities' readiness for the 2019/20 audit by the Auditor-General.

The support initiative included:

- Conduct assessments to determine the municipalities' 2019/20 audit readiness with reference to accounting processes and controls as well as the status of the Annual Financial Statements Preparation Plan and Audit Plan;
- Conduct a Technical Review of prioritised key registers, reconciliations, schedules, working papers to ensure compliance to GRAP standards, including appropriate recommendations to assist the municipalities in addressing gaps identified.

Table 43 list the municipalities which were supported by the Municipal Support Program.

Table 43: Municipalities supported by the Municipal Support Program in Quarter 2 of 2020/21

No	Nome of Municipality	2018/19 Audit Opinion	No	Nome of Municipality	2018/19 Audit Opinion
1	uMuziwabantu	Unqualified	9	Big Five Hlabisa	Qualified
2	uMgungundlovu DM	Qualified	10	uMfolozi	Unqualified
3	Okhahlamba	Clean	11	KwaDukuza	Unqualified
4	Alfred Duma	Unqualified	12	Ndwedwe	Unqualified
5	eNdumeni	Unqualified	13	uBuhlebezwe	Qualified
6	uMvoti	Unqualified	14	Dr Nkosazana Dlamini Zuma	Unqualified
7	eMadlangeni	Unqualified	15	Harry Gwala DM	Unqualified
8	uMhlabuyalingana	Unqualified			

Source: KZN Provincial Treasury

The significant challenges identified during the Pre-Audit Assessment were as follows:

- The impact of the COVID 19 pandemic Regulations meant that assessments had to be performed off-site relying on emailed information from municipal staff. Connectivity issues and large file transfers hindered the process in some instances as well as COVID 19 pandemic infections resulting in office closures at some of the municipalities.
- The reconciliations and information supplied by the municipalities were not always the final updated documents as the normal processes and procedures were hindered by the impact of the COVID 19 pandemic Regulations.
- Performing training and skills transfer was not possible in all instances as the municipalities were not all working at full capacity due to the COVID 19 pandemic Regulations and were concerned with meeting the amended AFS submission date and auditor requirements.

Infrastructure Support

The provision of infrastructure is integral in the realisation of government's goal to provide basic services to all South Africans. However, under performance on Capital Expenditure (within the full value change of delivery) by municipalities delays the delivery of basic infrastructure services and exacerbates the current infrastructure backlogs.

The purpose of the Infrastructure Support Team is to assist provincial departments, entities and municipalities. Assistance is provided specifically in the identification and unblocking of bottlenecks in the assessment, planning, implementation and delivery of essential infrastructure services to communities. Training on the National Treasury's Infrastructure Delivery Management System (IDMS) is also provided.

The deployment of the Infrastructure Support Team provides municipalities with the necessary expertise to tackle infrastructure related projects in various stages of the project cycle, thus increasing their delivery capacity. This has ultimately improved the return on investment and the value for money in the delivery of infrastructure.

In addition, the services of the team seek to improve internal capacity at municipalities by augmenting the required skills, thereby improving spending on capital projects/infrastructure. Unfortunately, due to the Covid-19 pandemic there has not been any request for assistance in this quarter.

Annexure A: Operating Revenue - 2nd Quarter 2020/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail																	
					Property rates	Property rates - penalties and collection charges	Service charges - electricity revenue	Service charges - water revenue	Service charges - sanitation revenue	Service charges - refuse revenue	Service charges - Other	Rental of facilities and equipment	Interest earned - external investments	Interest earned - outstanding debtors	Dividends received	Fines	Licences and permits	Agency services	Transfers recognised - operational	Other own revenue	Gains on disposal of PPE	
A	KZN2000 eThekweni	40 534 246	40 534 246	20 749 797	51.2	4 934 304	-	6 930 588	2 462 008	395 728	386 139	-	321 088	107 377	2 413	-	4 535	16 166	12 325	3 052 615	2 119 539	4 973
B	KZN212 uMdoni	315 104	315 104	218 652	69.4	62 592	-	172	-	-	6 115	-	3 480	619	44	-	1 327	3 850	-	139 074	1 380	-
B	KZN213 uMzombe	180 641	180 641	133 949	74.2	-	-	-	-	-	-	-	9	3 545	-	-	-	9	-	130 265	121	-
B	KZN214 uMuziwabantu	214 575	214 575	129 110	60.2	13 455	-	15 477	-	-	1 301	-	34	2 708	-	-	1 425	658	411	90 912	2 730	-
B	KZN216 Ray Nkonyeni	1 080 570	1 080 570	643 497	59.6	288 713	-	69 113	-	-	36 304	-	1 499	921	13 399	-	360	2 336	2 083	223 782	4 988	-
C	DC21 Ugu DM	1 159 002	1 159 002	684 356	59.0	-	-	-	151 002	53 046	-	-	63	3 464	20 737	-	(4)	12	-	449 588	6 448	-
	Total: Ugu Municipalities	2 949 892	2 949 892	1 809 565	61.3	364 760	-	84 762	151 002	53 046	43 719	-	5 085	11 256	34 180	-	3 107	6 865	2 493	1 033 622	15 667	-
B	KZN221 uMshwathi	163 641	163 641	219 007	133.8	49 468	-	-	-	-	3 058	-	681	1 343	4 431	-	5	2 980	-	156 774	266	-
B	KZN222 uMngeni	447 525	447 525	236 950	52.9	110 809	-	41 877	-	-	3 969	-	482	727	4 354	-	1 059	1 000	-	70 798	1 876	-
B	KZN223 Mpofana	174 141	174 141	59 210	34.0	6 308	-	11 839	-	-	1 655	-	31	-	-	5	84	618	-	38 567	102	-
B	KZN224 iMpindle	56 165	56 165	42 467	75.6	3 957	-	-	-	-	40	-	403	296	56	-	-	26	6	37 646	36	-
B	KZN225 Msunduzi	5 917 810	5 917 810	8 088 127	136.7	1 684 095	-	3 138 931	1 002 397	240 678	153 807	-	42 409	15 904	380 072	-	13 340	870	1 828	1 213 500	125 855	74 441
B	KZN226 Mkhambathini	120 631	120 631	81 759	67.8	9 598	-	-	-	-	267	-	-	893	-	-	0	2 766	-	65 762	2 474	-
B	KZN227 Richmond	113 831	113 831	95 489	83.9	14 577	-	-	-	-	274	-	360	982	114	-	1 800	749	-	76 180	454	-
C	DC22 uMgungundlovu DM	936 892	936 892	643 199	68.7	-	-	-	140 705	10 003	-	-	2	92	21 129	-	-	-	-	471 215	53	-
	Total: uMgungundlovu Municipalities	7 930 637	7 930 637	9 466 208	119.4	1 878 811	-	3 192 647	1 143 102	250 681	163 070	-	44 368	20 237	410 156	5	16 288	9 010	1 834	2 130 443	131 116	74 441
B	KZN235 Okhahlamba	195 754	195 754	163 338	83.4	15 313	-	-	-	-	1 475	-	374	927	4 055	-	124	1 798	753	138 317	202	-
B	KZN237 iNkosi Langalibalele	680 896	680 896	291 308	42.8	69 678	-	120 299	-	-	3 428	-	443	501	(1)	-	731	864	379	94 742	243	-
B	KZN238 Alfred Duma	976 203	976 203	617 041	63.2	125 608	-	200 726	-	-	16 351	-	919	6 974	4 620	-	20 792	1 011	1 702	242 361	(4 021)	-
C	DC23 uThukela DM	884 047	884 047	560 868	63.4	-	-	-	107 236	10 996	-	-	-	-	35 454	-	3	-	-	405 110	2 069	-
	Total: uThukela Municipalities	2 736 900	2 736 900	1 632 554	59.6	210 599	-	321 025	107 236	10 996	21 254	-	1 736	8 402	44 127	-	21 649	3 674	2 834	880 530	(1 506)	-
B	KZN241 eNdameni	350 012	350 012	172 022	49.1	47 842	-	55 778	-	-	9 505	-	9 358	1 015	-	-	69	404	-	47 582	469	-
B	KZN242 Nquthu	224 178	224 178	180 090	80.3	20 515	-	11 053	-	-	872	-	681	3 979	2 443	-	-	450	-	139 986	110	-
B	KZN244 uMsinga	223 095	223 095	195 471	87.6	9 456	-	-	-	-	198	-	459	1 258	-	-	-	-	-	169 510	14 591	-
B	KZN245 uMvoti	330 822	330 822	210 520	63.6	24 264	-	43 367	-	-	4 437	-	148	743	(516)	-	0	1 193	-	133 801	3 083	-
C	DC24 uMzinyathi DM	488 031	488 031	394 953	80.9	-	-	-	30 141	7 761	-	-	102	936	16 653	-	-	-	-	339 360	0	-
	Total: Umzinyathi Municipalities	1 616 138	1 616 138	1 153 056	71.3	102 077	-	110 198	30 141	7 761	15 012	-	10 749	7 930	18 580	-	69	2 047	-	830 239	18 253	-
B	KZN252 Newcastle	2 093 603	2 093 603	1 167 027	55.7	174 406	-	326 151	93 079	56 180	46 410	-	3 671	891	2 553	-	3 080	38	-	447 182	11 977	1 408
B	KZN253 eMadlangeni	106 236	106 236	37 779	35.6	10 894	-	7 226	-	-	880	-	551	65	1 869	-	0	395	-	15 729	169	-
B	KZN254 Dannhauser	150 141	150 141	104 865	69.8	13 056	-	-	-	-	623	-	10	616	-	-	4	191	836	88 403	1 126	-
C	DC25 Amajuba DM	224 340	224 340	93 784	41.8	-	-	-	9 807	1 667	-	-	13	1 098	2 984	-	-	-	-	78 190	25	-
	Total: Amajuba Municipalities	2 574 321	2 574 321	1 403 455	54.5	198 356	-	333 378	102 886	57 847	47 912	-	4 246	2 670	7 407	-	3 084	623	836	629 503	13 297	1 408
B	KZN261 eDumbe	159 863	159 863	111 483	69.7	12 236	-	9 914	-	-	1 008	-	1 452	364	128	-	351	597	-	85 271	186	(25)
B	KZN262 uPhongolo	303 262	303 262	193 013	19.5	19 683	-	18 160	-	-	6 236	-	281	-	8 585	-	(2)	162	5 501	5 201	407	-
B	KZN263 AbaQulusi	565 393	565 393	368 027	65.1	51 621	-	88 527	22 813	15 699	9 811	-	457	366	9 575	-	2 600	1 576	-	159 453	5 529	-
B	KZN265 Nongoma	207 684	207 684	181 934	87.6	19 349	-	-	-	-	953	-	85	342	2 465	-	170	258	-	158 311	1	-
B	KZN266 Ulundi	385 809	385 809	253 684	65.8	78 014	-	31 046	-	-	4 494	-	473	162	1 215	-	37	75	1 347	136 458	260	103
C	DC26 Zululand DM	573 928	573 928	253 916	44.2	-	-	-	15 232	5 058	-	-	73	1 704	22	-	11	10	-	231 630	177	-
	Total: Zululand Municipalities	2 195 938	2 195 938	1 228 057	55.9	180 903	-	147 647	38 045	20 757	22 502	-	2 822	2 938	21 989	-	3 169	2 514	1 509	776 623	6 560	79
B	KZN271 uMhlabuyalingana	227 116	227 116	10 488	83.0	10 488	-	-	-	-	312	-	194	973	(182)	-	250	1 045	-	175 326	111	-
B	KZN272 Jozini	258 293	258 293	222 224	86.0	13 768	-	-	-	-	1 909	-	397	1 376	7 970	-	324	609	-	194 895	978	-
B	KZN275 Mtubatuba	252 052	252 052	300 211	119.1	33 244	-	-	-	-	4 578	-	11	738	6 734	-	4 175	-	-	250 459	272	-
B	KZN276 Big Five Hlabisa	158 822	158 822	120 457	75.8	19 904	-	-	-	3	1 061	-	113	-	-	629	42	1 263	-	96 713	729	-
C	DC27 uMkhanyakude DM	546 240	546 240	241 263	44.2	-	-	2 298	24 834	507	-	-	126	2 427	5 672	-	-	-	-	205 391	7	-
	Total: Umkhanyakude Municipalities	1 442 522	1 442 522	1 072 681	74.4	77 403	-	2 298	24 834	510	7 860	-	841	5 514	20 194	629	615	7 091	-	922 794	2 096	-
B	KZN281 uMfolozi	193 371	193 371	141 986	73.4	5 797	-	-	-	-	336	-	30	456	631	-	15	17	-	134 688	16	-
B	KZN282 uMhlatuze	3 416 974	3 416 974	1 939 028	56.7	301 959	-	842 641	282 312	53 251	51 106	-	3 565	10 898	81	-	4 783	1 409	2 217	375 579	9 001	224
B	KZN284 uMlalazi	487 113	487 113	351 920	72.2	87 028	-	36 356	-	-	7 474	-	833	2 745	-	-	2 090	6	2 436	211 997	956	-
B	KZN285 Mthonjaneni	172 974	172 974	68 952	39.9	15 413	-	9 973	-	-	841	-	3	579	371	-	77	282	-	41 365	48	-
B	KZN286 Nkandla	185 805	185 805	107 150	57.7	24 508	-	5 417	-	-	611	-	611	125	784	-	0	28	-	72 994	2 071	-
C	DC28 King Cetshwayo DM	732 426	732 426	529 451	72.3	-																

Annexure B: Operating Expenditure - 2nd Quarter 2020/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail												
					Employee related costs	Remun. of councillors	Debt impairment	Depreciation and asset impairment	Finance charges	Bulk purchases	Other Materials	Contracted services	Transfers and grants	Other expenditure	Loss on disposal of PPE		
A	KZN2000	eThekweni	40 161 811	40 161 811	18 502 737	46.1	5 835 485	62 089	101 009	1 314 559	449 699	7 058 459	466 507	2 019 498	205 567	987 264	2 601
B	KZN212	uMdoni	306 104	306 104	124 470	40.7	66 006	7 504	-	-	-	-	5 377	26 191	1 352	18 040	-
B	KZN213	uMzambe	229 721	229 721	80 665	35.1	32 250	8 718	-	11 544	2	-	771	14 897	2 921	9 562	-
B	KZN214	uMuziwabantu	219 851	219 851	96 213	43.8	37 903	4 945	-	9 401	51	19 520	623	11 790	3 351	8 628	-
B	KZN216	Ray Nkonyeni	1 113 969	1 113 969	426 577	38.3	202 895	14 235	4 895	-	514	53 926	6 041	79 198	1 137	63 735	-
B	DC21	Ugu DM	1 278 849	1 278 849	448 480	35.1	209 483	4 875	55	47 060	4 241	50 538	2 679	50 898	1 370	76 928	352
Total: Ugu Municipalities			3 148 494	3 148 494	1 176 405	37.4	548 536	40 277	4 951	68 005	4 809	123 985	15 490	182 974	10 132	176 894	352
B	KZN221	uMshwathi	172 041	172 041	138 065	80.3	85 051	11 754	-	-	-	1 433	917	30 569	(5 423)	13 764	-
B	KZN222	uMngeni	447 420	447 420	212 130	47.4	58 319	4 546	-	28 506	1 562	68 095	430	27 661	1 877	21 134	-
B	KZN223	Mpofana	169 361	169 361	48 539	28.7	18 222	4 738	-	-	-	21 537	197	2 495	(111)	1 461	-
B	KZN224	iMpendle	59 308	59 308	20 272	34.2	11 466	1 340	-	(1 713)	-	-	46	4 759	1 422	2 822	130
B	KZN225	Msunduzi	5 516 477	5 516 477	8 199 774	148.6	1 839 632	65 729	545 829	652 176	59 979	3 890 153	76 733	710 541	45 996	215 281	97 724
B	KZN226	Mkhambathini	121 537	121 537	58 438	48.1	20 701	2 974	-	4 811	4	-	2 389	18 825	80	8 654	-
B	KZN227	Richmond	137 126	137 126	56 962	41.5	29 372	2 859	1 849	9 820	19	-	1 565	11 476	298	(296)	-
C	DC22	uMgungundlovu DM	812 166	812 166	337 117	41.5	137 561	5 904	-	19 823	5 329	76 744	5 026	74 232	3 258	9 239	-
Total: uMgungundlovu Municipalities			7 435 437	7 435 437	9 071 296	122.0	2 200 324	99 844	547 678	713 423	66 893	4 057 962	87 302	880 558	47 398	272 061	97 854
B	KZN235	Okhahlamba	211 894	211 894	107 488	50.7	45 626	5 475	4 544	13 771	621	-	1 290	16 191	54	19 915	-
B	KZN237	iNkosi Langalibalele	609 932	609 932	181 773	29.8	53 242	3 514	-	-	7	87 664	1 852	24 251	-	11 271	(28)
B	KZN238	Alfred Duma	1 103 994	1 103 994	373 181	33.8	159 999	13 181	-	-	198	129 290	5 888	23 958	3 493	37 175	-
B	DC23	uThukela DM	884 047	884 047	257 794	29.2	152 092	2 669	-	17 807	-	505	16 858	27 324	-	40 539	-
Total: uThukela Municipalities			2 809 867	2 809 867	920 236	32.8	410 959	24 839	4 544	31 578	826	217 459	25 888	91 725	3 547	108 899	(28)
B	KZN241	eNdumeni	344 809	344 809	104 167	30.2	19 651	778	115	0	-	55 482	527	17 688	772	9 152	-
B	KZN242	Nquthu	206 200	206 200	40 178	19.5	910	-	-	-	-	12 584	3 887	11 257	1 858	9 684	-
B	KZN244	uMsinga	228 333	228 333	99 739	43.7	37 988	6 355	-	-	-	-	4 021	33 368	-	18 009	-
B	KZN245	uMvoti	305 852	305 852	149 104	48.8	63 485	4 978	-	14 440	116	31 080	1 554	17 815	757	14 878	-
C	DC24	uMzinyathi DM	502 729	502 729	249 685	49.7	99 233	2 995	-	4 671	2 431	6 768	32 306	48 851	330	52 099	-
Total: Umzinyathi Municipalities			1 587 922	1 587 922	642 874	40.5	221 268	15 106	115	19 112	2 548	105 914	42 295	128 979	3 716	103 821	-
B	KZN252	Newcastle	2 397 474	2 397 474	990 251	41.3	270 202	12 729	25 118	173 099	21 446	256 386	1 992	178 080	-	51 200	-
B	KZN253	eMadlangeni	102 548	102 548	29 533	28.8	14 711	1 556	-	-	1	5 257	797	5 826	-	1 385	-
B	KZN254	Dannhauser	149 143	149 143	51 662	34.6	12 949	3 918	-	-	2 046	-	91	22 837	-	9 820	-
C	DC25	Amajuba DM	276 333	276 333	35 412	12.8	12 081	1 627	-	-	784	1 660	2 919	3 560	-	12 782	-
Total: Amajuba Municipalities			2 925 498	2 925 498	1 106 858	37.8	309 943	19 830	25 118	173 099	24 277	263 303	5 799	210 302	-	75 187	-
B	KZN261	eDumbe	153 077	153 077	73 031	47.7	29 744	3 312	-	-	1	15 978	5 175	15 665	-	3 154	-
B	KZN262	uPhongolo	282 133	282 133	97 135	34.4	42 934	3 999	9 853	4 800	8	14 946	5 519	8 160	585	6 332	-
B	KZN263	AbaQulusi	550 403	550 403	251 060	45.6	82 480	9 621	-	-	5 311	100 445	3 833	32 397	4 936	12 035	-
B	KZN265	Nongoma	198 574	198 574	134 448	67.7	53 663	7 041	9 345	9 766	4	-	3 713	27 459	872	22 585	-
B	KZN266	Ulundi	397 130	397 130	176 625	44.5	60 676	7 119	72	15 040	1 422	48 431	4 083	27 958	604	11 220	-
C	DC26	Zululand DM	563 862	563 862	324 940	57.6	113 025	4 278	-	26 202	-	11 083	4 512	110 263	8 282	47 296	-
Total: Zululand Municipalities			2 145 179	2 145 179	1 057 239	49.3	382 522	35 369	19 270	55 809	6 747	190 883	26 834	221 903	15 279	102 622	-
B	KZN271	uMhlabuyalingana	209 718	209 718	103 712	49.5	37 414	6 487	-	11 121	4	-	540	20 361	3 448	24 337	0
B	KZN272	Jozini	274 190	274 190	150 295	54.8	49 552	7 269	7 554	9 429	-	-	2 525	15 414	17 651	40 901	-
B	KZN275	Mtubatuba	271 205	271 205	104 678	38.6	23 337	2 657	371	9 715	698	-	3 808	33 754	-	30 362	(24)
B	KZN276	Big Five Hlabisa	174 002	174 002	69 407	39.9	41 856	3 632	-	2 659	1	-	-	9 051	258	11 948	-
C	DC27	uMkhanyakude DM	546 240	546 240	210 859	38.6	92 646	4 594	-	-	168	79 389	1 092	25 508	-	7 460	-
Total: uMkhanyakude Municipalities			1 475 355	1 475 355	638 949	43.3	244 806	24 639	7 925	32 925	871	79 389	7 965	104 088	21 357	115 008	(24)
B	KZN281	uMfolozi	186 445	186 445	78 240	42.0	35 302	5 614	(181)	-	370	-	2 011	20 671	786	13 667	-
B	KZN282	uMhlatuze	3 485 274	3 485 274	1 588 830	45.6	448 241	15 871	45 012	180 166	26 648	615 706	45 421	87 482	8 256	115 930	98
B	KZN284	uMlalazi	538 049	538 049	254 409	47.3	76 309	11 163	24 682	23 555	97	29 659	3 954	38 808	2 064	44 118	-
B	KZN285	Mthonjaneni	160 053	160 053	77 739	48.6	30 000	4 413	-	10 648	250	13 255	492	10 807	420	7 453	-
B	KZN286	Nkandla	185 456	185 456	46 934	25.3	23 663	3 913	-	-	1	186	1 440	9 529	-	8 202	-
C	DC28	King Cetshwayo DM	793 797	793 797	488 692	61.6	124 886	6 218	-	52 630	1 981	106 037	10 463	142 807	-	43 669	-
Total: King Cetshwayo Municipalities			5 349 073	5 349 073	2 534 844	47.4	738 402	47 191	69 513	266 999	29 346	764 843	63 782	310 104	11 526	233 039	98
B	KZN291	Mandeni	309 016	309 016	126 929	41.1	50 383	6 810	-	14 378	0	15 218	2 627	15 488	800	21 223	2
B	KZN292	KwaDukuza	1 890 949	1 890 949	736 896	39.0	209 969	11 530	1 141	39 947	10 292	339 642	7 100	80 104	1 896	35 274	-
B	KZN293	Ndwedwe	197 832	197 832	96 646	48.9	31 300	7 236	1 179	11 288	2	-	429	26 003	2 635	16 573	-
B	KZN294	Maphumulo	129 994	129 994	63 125	48.6	23 236	4 277	4 374	4 626	6	-	539	14 868	688	10 510	-
C	DC29	iLembe DM	944 557	944 557	454 884	48.2	130 621	4 500	7 625	44 652	3 160	115 587	4 105	58 690	21 692	64 253	-
Total: iLembe Municipalities			3 472 349	3 472 349	1 478 480	42.6	445 509	34 353	14 320	114 890	13 461	470 446	14 801	195 153	27 712	147 834	2
B	KZN433	Greater Kokstad	420 073	420 073	174 739	41.6	71 237	3 794	2 644	-	-	64 191	1 578	17 465	-	13 830	-

Annexure C: Repairs and Maintenance - 2nd Quarter 2020/21

R'000	Unaudited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast	
A	KZN2000 eThekweni	157 750	3 200 066	3 206 978	492 665	665 523	1 158 189	1 623 397	(465 208)	(28.7)	3 206 978
B	KZN212 uMdoni	46 988	16 619	21 069	1 170	7 025	8 195	10 535	(2 340)	(22.2)	21 069
B	KZN213 uMzombe	5 832	19 882	19 882	1 243	2 910	4 154	9 941	(5 787)	(58.2)	19 882
B	KZN214 uMuziwabantu	8 025	5 920	7 120	1 332	2 000	3 331	3 360	(29)	(0.8)	7 120
B	KZN216 Ray Nkonyeni	46 446	46 315	46 335	3 386	9 595	12 981	25 060	(12 079)	(48.2)	46 335
C	DC21 Ugu DM	122 049	94 429	104 879	3 117	8 836	11 953	52 440	(40 486)	(77.2)	104 879
	Total: Ugu Municipalities	229 340	183 166	199 286	10 248	30 366	40 614	101 335	(60 721)	(59.9)	199 286
B	KZN221 uMshwathi	9 067	16 120	16 120	2 787	6 217	9 004	8 060	944	11.7	16 120
B	KZN222 uMngeni	118	22 711	24 461	2 756	5 674	8 430	12 231	(3 800)	(31.1)	24 461
B	KZN223 Mpofana	-	300	1 200	-	-	-	-	-	-	1 200
B	KZN224 iMpindle	540	601	601	60	-	60	301	(241)	(80.0)	601
B	KZN225 Msunduzi	-	221 715	221 715	280 563	80 529	361 092	110 858	250 234	225.7	221 715
B	KZN226 Mkhambathini	10 747	17 640	17 640	10 704	5 686	16 390	8 820	7 570	85.8	17 640
B	KZN227 Richmond	4 999	6 250	6 695	939	1 226	2 165	3 303	(1 138)	(34.5)	6 695
C	DC22 uMgungundlovu DM	4 026	36 000	11 250	4 682	4 039	8 720	5 625	3 095	55.0	11 250
	Total: uMgungundlovu Municipalities	29 496	321 337	299 683	302 490	103 371	405 861	149 197	256 664	172.0	299 683
B	KZN235 Okhahlamba	4 393	5 624	5 624	1 160	2 814	3 974	2 812	1 162	41.3	5 624
B	KZN237 iNkosi Langalibalele	-	6 868	6 768	1 183	2 357	3 540	3 384	156	4.6	6 768
B	KZN238 Alfred Duma	81 996	85 361	85 376	6 003	10 795	16 798	42 695	(25 897)	(60.7)	85 376
C	DC23 uThukela DM	16 078	12 090	15 120	1 926	7 392	9 318	7 257	2 061	28.4	15 120
	Total: uThukela Municipalities	102 466	109 943	112 888	10 272	23 358	33 631	56 148	(22 518)	(40.1)	112 888
B	KZN241 eNdameni	2 970	3 989	3 989	481	1 870	2 351	1 995	356	17.9	3 989
B	KZN242 Nquthu	4 612	2 678	7 155	169	1 090	1 259	3 057	(1 798)	(58.8)	7 155
B	KZN244 uMsinga	7 484	7 430	17 480	675	6 641	7 316	7 735	(419)	(5.4)	17 480
B	KZN245 uMvoti	-	8 538	8 538	653	2 163	2 817	4 269	(1 453)	(34.0)	8 538
C	DC24 uMzinyathi DM	239 570	124 525	110 101	57 761	43 744	101 505	55 051	46 454	84.4	110 101
	Total: uMzinyathi Municipalities	254 636	147 161	147 264	59 740	55 508	115 247	72 106	43 141	59.8	147 264
B	KZN252 Newcastle	12 200	8 441	8 441	594	2 400	2 994	6 089	(3 095)	(50.8)	8 441
B	KZN253 eMadlangeni	967	2 510	2 510	121	489	610	1 255	(645)	(51.4)	2 510
B	KZN254 Dannhauser	25 791	12 651	15 651	6 529	8 249	14 779	9 325	5 454	58.5	15 651
C	DC25 Amajuba DM	3 033	8 630	12 010	376	501	877	5 304	(4 427)	(83.5)	12 010
	Total: Amajuba Municipalities	41 991	32 232	38 612	7 620	11 640	19 260	21 974	(2 714)	(12.4)	38 612
B	KZN261 eDumbe	5 059	4 618	8 618	519	1 045	1 564	4 309	(2 745)	(63.7)	8 618
B	KZN262 uPhongolo	-	3 376	4 467	138	266	404	2 234	(1 830)	(81.9)	4 467
B	KZN263 Abaqulusi	15 269	20 040	37 438	1 671	6 289	7 961	18 719	(10 758)	(57.5)	37 438
B	KZN265 Nongoma	2 729	7 803	7 902	3 898	2 664	6 562	3 951	2 611	66.1	7 902
B	KZN266 Ulundi	21 076	13 595	14 542	4 468	2 216	6 684	7 271	(587)	(8.1)	14 542
C	DC26 Zululand DM	80 712	61 930	68 590	7 339	24 348	31 687	34 295	(2 608)	(7.6)	68 590
	Total: Zululand Municipalities	124 845	111 361	141 556	18 034	36 828	54 862	70 778	(15 916)	(22.5)	141 556
B	KZN271 uMhlabyalingana	4 998	4 195	5 195	334	899	1 234	2 597	(1 364)	(52.5)	5 195
B	KZN272 Jozini	799	11 826	12 026	1 481	3 047	4 528	6 013	(1 485)	(24.7)	12 026
B	KZN275 Mtubatuba	6 511	10 700	13 700	682	552	1 233	6 850	(5 617)	(82.0)	13 700
B	KZN276 Big Five Hlabisa	1 965	7 300	7 300	725	1 666	2 391	3 650	(1 259)	(34.5)	7 300
C	DC27 uMkhanyakude DM	35 994	34 428	31 573	-	812	812	15 787	(14 975)	(94.9)	31 573
	Total: uMkhanyakude Municipalities	50 267	68 449	69 794	3 222	6 976	10 198	34 897	(24 699)	(70.8)	69 794
B	KZN281 uMfolozi	8 074	9 497	9 147	1 288	2 379	3 667	4 574	(906)	(19.8)	9 147
B	KZN282 uMhlathuze	127 646	740 665	740 118	20 181	296 759	316 940	339 074	(22 135)	(6.5)	740 118
B	KZN284 uMlalazi	30 487	31 520	33 416	6 746	7 698	14 444	16 277	(1 834)	(11.3)	33 416
B	KZN285 Mthonjaneni	5 056	5 820	7 220	184	1 617	1 801	3 610	(1 809)	(50.1)	7 220
B	KZN286 Nkandla	3 559	14 452	12 084	311	1 112	1 423	6 042	(4 618)	(76.4)	12 084
C	DC28 King Cetshwayo DM	184 079	144 049	150 463	15 865	51 282	67 146	75 231	(8 085)	(10.7)	150 463
	Total: King Cetshwayo Municipalities	358 901	946 002	952 447	44 575	360 847	405 422	444 808	(39 386)	(8.9)	952 447
B	KZN291 Mandeni	9 043	14 380	14 830	2 443	2 279	4 722	7 415	(2 693)	(36.3)	14 830
B	KZN292 KwaDukuza	38 917	54 578	54 578	5 466	14 518	19 984	27 289	(7 304)	(26.8)	54 578
B	KZN293 Ndwedwe	36 352	8 171	8 171	2 474	2 506	4 980	4 085	894	21.9	8 171
B	KZN294 Maphumulo	-	8 079	8 269	2 163	1 760	3 923	4 134	(212)	(5.1)	8 269
C	DC29 iLembe DM	41 564	54 175	55 957	9 832	7 837	17 669	27 800	(10 131)	(36.4)	55 957
	Total: iLembe Municipalities	125 876	139 382	141 805	22 379	28 900	51 278	70 724	(19 446)	(27.5)	141 805
B	KZN433 Greater Kokstad	21 849	31 226	31 226	1 515	3 257	4 772	9 671	(4 898)	(50.7)	31 226
B	KZN434 uBuhlebezwe	488	1 477	1 637	88	361	449	818	(369)	(45.1)	1 637
B	KZN435 uMzimkhulu	9 769	19 760	19 760	3 023	2 033	5 057	9 231	(4 174)	(45.2)	19 760
B	KZN436 Dr. Nkosazana Dlamini Zuma	4 510	11 918	11 918	892	526	1 417	5 959	(4 542)	(76.2)	11 918
C	DC43 Harry Gwala DM	20 479	22 897	26 897	10 234	7 586	17 820	13 448	4 372	32.5	26 897
	Total: Harry Gwala Municipalities	57 096	87 278	91 438	15 752	13 764	29 516	39 127	(9 612)	(24.6)	91 438
Total		1 532 663	5 346 377	5 401 750	986 998	1 337 080	2 324 077	2 684 492	(360 415)	(13.4)	5 401 750

Source: NT Igdatabase

Annexure D: Capital Revenue (Source of finance) - 2nd Quarter 2020/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail								
					Sources of Finance				Transfers recognised - capital				
					National Govt.	Provincial Govt.	District Municipality	Other transfers and grants	Borrowing	Internally generated funds	Public contr. and donations		
A	KZN2000	eThekwini	4 792 769	4 792 769	1 281 749	26.7	626 540	15 611	-	64	234 416	405 119	-
B	KZN212	uMdoni	32 449	32 449	1 871	5.8	1 871	-	-	-	-	-	-
B	KZN213	uMzombe	105 653	105 653	26 584	25.2	17 017	-	-	-	-	9 567	-
B	KZN214	uMuziwabantu	56 226	56 226	33 803	60.1	9 872	-	-	-	-	23 932	-
B	KZN216	Ray Nkonyeni	93 227	93 227	50 898	54.6	43 136	5 065	-	1 345	-	1 352	-
B	DC21	Ugu DM	274 693	274 693	46 458	16.9	30 694	15 385	-	-	-	378	-
Total: Ugu Municipalities			562 248	562 248	159 614	28.4	102 589	20 451	-	1 345	-	35 229	-
B	KZN221	uMshwathi	25 828	25 828	1 041 883	4 033.9	1 029 500	-	-	-	-	12 383	-
B	KZN222	uMngeni	29 024	29 024	19 192	66.1	18 628	-	-	-	-	564	-
B	KZN223	Mpofana	15 971	15 971	2 292	14.4	2 292	-	-	-	-	-	-
B	KZN224	iMpendle	11 978	11 978	(20 929)	(174.7)	(13 303)	(691)	-	-	-	(6 935)	-
B	KZN225	Msunduzi	580 892	580 892	1 316 048	226.6	1 203 567	-	6 784	19 514	86 183	-	-
B	KZN226	Mkhambathini	25 696	25 696	22 129	86.1	9 241	-	-	-	-	12 889	-
B	KZN227	Richmond	33 570	33 570	12 306	36.7	9 173	1 384	-	-	-	1 749	-
C	DC22	uMgungundlovu DM	175 245	175 245	63 969	36.5	63 796	-	-	-	-	173	-
Total: uMgungundlovu Municipalities			898 205	898 205	2 456 891	273.5	2 322 894	693	6 784	19 514	86 183	20 823	-
B	KZN235	Okhahlamba	40 396	40 396	18 207	45.1	16 379	1 445	-	-	-	384	-
B	KZN237	iNkosi Langalibalele	48 125	48 125	18 726	38.9	16 890	1 665	-	-	-	171	-
B	KZN238	Alfred Duma	76 302	76 302	18 196	23.8	14 075	1 705	-	-	-	2 417	-
B	DC23	uThukela DM	244 759	244 759	72 020	29.4	72 020	-	-	-	-	-	-
Total: uThukela Municipalities			409 582	409 582	127 150	31.0	119 364	4 814	-	-	-	2 972	-
B	KZN241	eNdumeni	28 331	28 331	9 241	32.6	6 385	-	-	-	-	2 856	-
B	KZN242	Nquthu	93 228	93 228	56 775	60.9	6 036	-	-	-	-	50 739	-
B	KZN244	uMsinga	55 685	55 685	24 543	44.1	17 720	-	-	-	-	6 823	-
B	KZN245	uMvoti	56 703	56 703	17 730	31.3	14 228	1 315	-	-	-	2 187	-
C	DC24	uMzinyathi DM	270 600	270 600	151 607	56.0	145 976	-	-	-	-	5 631	-
Total: uMzinyathi Municipalities			504 547	504 547	259 896	51.5	190 346	1 315	-	-	-	68 235	-
B	KZN252	Newcastle	173	173	33 734	19 482.1	16 041	(105)	-	-	-	17 799	-
B	KZN253	eMadlangeni	12 654	12 654	12 471	98.6	10 081	-	-	-	-	2 391	-
B	KZN254	Dannhauser	56 445	56 445	29 996	53.1	9 454	-	-	1 820	-	18 722	-
C	DC25	Amajuba DM	91 018	91 018	75 737	83.2	51 452	24 285	-	-	-	-	-
Total: Amajuba Municipalities			160 290	160 290	151 938	94.8	87 028	24 179	-	1 820	-	38 911	-
B	KZN261	eDumbe	36 052	36 052	(264 709)	(734.2)	(110 979)	(8 725)	-	-	-	(145 004)	-
B	KZN262	uPhongolo	41 912	41 912	14 114	33.7	13 915	23	-	-	-	176	-
B	KZN263	AbaQulusi	57 772	57 772	22 736	39.4	20 541	-	-	-	-	2 195	-
B	KZN265	Nongoma	33 304	33 304	12 511	37.6	10 517	-	-	-	-	1 994	-
B	KZN266	Ulundi	15 525	15 525	(797)	(5.1)	(1 503)	-	-	-	-	706	-
C	DC26	Zululand DM	454 134	454 134	251 270	55.3	250 436	201	-	-	-	632	-
Total: Zululand Municipalities			638 699	638 699	35 125	5.5	182 927	(8 501)	-	-	-	(139 301)	-
B	KZN271	uMhlabyalingana	41 600	41 600	21 115	50.8	17 721	-	-	-	-	3 393	-
B	KZN272	Jozini	47 566	47 566	15 770	33.2	15 216	-	-	-	-	553	-
B	KZN275	Mtubatuba	40 164	40 164	16 051	40.0	12 756	1 650	-	-	-	1 645	-
B	KZN276	Big Five Hlabisa	31 039	31 039	(326 304)	(1 051.3)	(24 772)	1 910	-	-	-	(303 442)	-
C	DC27	uMkhanyakude DM	292 826	292 826	98 179	33.5	96 737	-	-	-	-	1 442	-
Total: uMkhanyakude Municipalities			453 195	453 195	(175 189)	(38.7)	117 660	3 560	-	-	-	(296 409)	-
B	KZN281	uMfolozi	47 830	47 830	27 236	56.9	23 750	-	-	-	-	3 486	-
B	KZN282	uMhlatuze	671 834	671 834	165 599	24.6	33 211	-	-	-	30 254	102 134	-
B	KZN284	uMlalazi	37 619	37 619	36 523	97.1	25 838	-	-	-	-	10 686	-
B	KZN285	Mthonjaneni	39 214	39 214	(447 560)	(1 141.3)	(388 218)	-	-	-	-	(59 342)	-
B	KZN286	Nkandla	1 400	1 400	(410 353)	(29 311.0)	(181 900)	-	-	-	-	(228 453)	-
C	DC28	King Cetshwayo DM	296 130	296 130	77 730	26.2	76 347	-	-	-	-	1 383	-
Total: King Cetshwayo Municipalities			1 094 027	1 094 027	(550 825)	(50.3)	(410 973)	-	-	-	30 254	(170 106)	-
B	KZN291	Mandeni	36 493	36 493	(238 668)	(654.0)	(139 129)	577	-	-	(3 881)	(96 236)	-
B	KZN292	KwaDukuza	295 382	295 382	59 687	20.2	13 160	81	-	4 896	1 984	39 566	-
B	KZN293	Ndwedwe	85 122	85 122	20 818	24.5	12 615	-	-	-	-	8 203	-
B	KZN294	Maphumulo	33 679	33 679	21 084	62.6	15 758	1 454	-	-	-	3 871	-
C	DC29	iLembe DM	202 696	202 696	106 407	52.5	104 330	1 910	-	-	-	167	-
Total: iLembe Municipalities			653 373	653 373	(30 672)	(4.7)	6 734	4 023	-	4 896	(1 897)	(44 428)	-
B	KZN433	Greater Kokstad	98 760	98 760	51 934	52.6	6 490	11 441	-	-	-	34 003	-
B	KZN434	uBuhlebezwe	56 936	56 936	(26 955)	(47.3)	(1 408)	(8 689)	-	-	-	(16 858)	-
B	KZN435	uMzimkhulu	95 592	95 592	48 676	50.9	28 053	-	-	-	-	20 623	-
B	KZN436	Dr. Nkosazana Dlamini Zuma	101 077	101 077	20 032	19.8	2 303	-	-	-	-	17 729	-
C	DC43	Harry Gwala DM	271 221	271 221	165 626	61.1	156 402	-	-	-	-	9 224	-
Total: Harry Gwala Municipalities			623 587	623 587	259 314	41.6	191 841	2 751	-	-	-	64 721	-
Total			10 790 522	10 790 522	3 974 990	36.8	3 536 950	68 895	6 784	27 639	348 956	(14 235)	-

Source: NT Igdatabase

Annexure E: Capital Expenditure - 2nd Quarter 2020/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail												
					Governance and Admin.			Economic and Environmental Services			Trading Services				Other		
					Executive & Council	Budget & Treasury Office	Corporate Services	Planning and Dev.	Road Transport	Environ. Protection	Electricity	Water	Waste Water Mgt.	Waste Mgt.			
A	KZN2000	eThekweni	4 792 769	4 792 769	1 281 749	26.7	1 164	96 385	102	109 660	583 103	4 330	134 872	117 938	15 286	7 894	8 907
B	KZN212	uMdoni	32 449	32 449	1 871	5.8	-	-	-	-	403	-	-	-	-	-	-
B	KZN213	uMzombe	105 653	105 653	26 614	25.2	-	(4 075)	-	-	11 553	-	-	-	-	-	-
B	KZN214	uMuziwabantu	56 226	56 226	33 803	60.1	-	742	-	16 215	10 115	-	-	-	-	68	-
B	KZN216	Ray Nkonyeni	98 630	98 630	55 022	55.8	178	20	-	17 929	29 030	420	86	-	-	449	1 866
C	DC21	Ugu DM	277 693	277 693	46 458	16.7	-	203	-	-	-	-	-	37 134	9 120	-	-
Total: Ugu Municipalities			570 651	570 651	163 767	28.7	178	(3 110)	-	34 144	51 101	420	86	37 134	9 120	518	1 866
B	KZN221	uMshwathi	26 428	26 428	1 077 396	4 076.7	-	77 911	-	3 085	609 209	-	-	-	-	-	-
B	KZN222	uMngeni	29 024	29 024	19 192	66.1	62	252	-	66	18 660	-	-	-	-	-	-
B	KZN223	Mpofana	16 442	16 442	3 977	24.2	-	-	-	-	3 845	-	-	-	-	-	-
B	KZN224	iMpendle	12 058	12 058	(25 735)	(213.4)	-	(3 800)	-	(10 971)	(4 265)	-	-	-	-	-	-
B	KZN225	Msunduzi	580 892	580 892	1 611 182	277.4	17 460	47 703	320	66 742	666 959	2 603	154 376	273 668	158 482	50 495	13 094
B	KZN226	Mkhambathini	25 696	25 696	22 129	86.1	-	1 240	-	-	17 502	-	-	-	-	-	-
B	KZN227	Richmond	33 640	33 640	12 343	36.7	145	219	-	253	7 963	-	-	-	-	-	-
C	DC22	uMgungundlovu DM	175 245	175 245	63 969	36.5	-	173	-	-	-	-	-	59 019	4 777	-	-
Total: uMgungundlovu Municipalities			899 425	899 425	2 784 454	309.6	17 666	123 698	320	59 176	1 319 874	2 603	154 376	332 687	163 259	50 495	13 094
B	KZN235	Okhahlamba	40 846	40 846	18 419	45.1	-	280	-	17 961	-	-	-	-	-	-	179
B	KZN237	iNkosi Langalibalele	48 125	48 125	18 726	38.9	-	21	-	(14)	17 667	-	902	-	-	-	-
B	KZN238	Alfred Duma	76 302	76 302	18 196	23.8	6	82	-	11 807	-	-	3 722	-	-	-	-
C	DC23	uThukela DM	289 559	289 559	107 719	37.2	-	13	-	-	-	-	-	107 707	-	-	-
Total: uThukela Municipalities			454 832	454 832	163 061	35.9	6	395	-	29 753	17 667	-	4 624	107 707	-	179	-
B	KZN241	eNdumeni	28 331	28 331	9 241	32.6	889	3 072	-	17	3 794	-	1 439	-	-	-	-
B	KZN242	Nquthu	93 228	93 228	56 775	60.9	-	200	-	13 540	20 080	-	-	-	-	-	-
B	KZN244	uMsinga	55 685	55 685	24 543	44.1	75	8 154	-	291	10 543	-	3 731	-	-	79	-
B	KZN245	uMvoti	56 703	56 703	17 730	31.3	-	-	-	1 287	4 322	-	783	-	-	-	-
C	DC24	uMzinyathi DM	270 600	270 600	151 607	56.0	223	2 115	-	-	167	-	-	139 561	9 541	-	-
Total: Umzinyathi Municipalities			504 547	504 547	259 896	51.5	1 188	13 541	-	15 135	38 906	-	5 953	139 561	9 541	79	-
B	KZN252	Newcastle	24 322	24 322	31 698	130.3	-	(289)	-	3 041	17 911	-	-	5 608	3 614	-	-
B	KZN253	eMadiangeni	12 998	12 998	12 471	95.9	140	57	-	2 176	7 986	-	2 095	-	-	-	-
B	KZN254	Dannhauser	56 445	56 445	30 880	54.7	-	670	-	30 041	-	-	-	-	-	169	-
C	DC25	Amajuba DM	92 318	92 318	75 737	82.0	-	-	-	-	-	-	-	73 367	2 370	-	-
Total: Amajuba Municipalities			186 083	186 083	150 786	81.0	140	438	-	35 258	25 897	-	2 095	78 975	5 984	169	-
B	KZN261	eDumbe	36 052	36 052	(282 969)	(784.9)	-	(154 740)	-	(55 575)	(6 378)	-	(52 036)	-	(2 322)	-	-
B	KZN262	uPhongolo	41 912	41 912	14 114	33.7	-	5	-	-	5 690	-	-	-	-	-	-
B	KZN263	AbaQulusi	57 772	57 772	24 705	42.8	-	273	-	-	11 827	-	362	-	3 184	1 740	-
B	KZN265	Nongoma	34 245	34 245	12 511	36.5	-	1 462	-	-	10 598	-	-	-	-	-	-
B	KZN266	Ulundi	30 481	30 481	(666)	(2.2)	(180)	390	(246)	-	(225)	-	(138)	-	-	-	-
C	DC26	Zululand DM	454 134	454 134	251 270	55.3	-	632	-	-	-	-	-	250 436	-	-	-
Total: Zululand Municipalities			654 596	654 596	18 964	2.9	(180)	(151 976)	(246)	(55 575)	21 511	-	(51 811)	250 436	862	1 740	-
B	KZN271	uMhlabyalingana	68 100	68 100	21 115	31.0	-	550	-	197	17 721	-	-	-	-	-	-
B	KZN272	Jozini	60 626	60 626	22 317	36.8	4 593	1 248	-	8 456	3 353	-	712	-	-	250	-
B	KZN275	Mtubatuba	49 073	49 073	17 903	36.5	53	359	-	13	9 593	-	907	-	-	-	-
B	KZN276	Big Five Hlabisa	34 389	34 389	(339 001)	(985.8)	4	(86 749)	-	1 429	(121 111)	-	-	-	(4 541)	(92)	-
C	DC27	uMkhanyakude DM	298 414	298 414	98 179	32.9	-	-	-	-	-	-	-	73 513	24 666	-	-
Total: Umkhanyakude Municipalities			510 602	510 602	(179 488)	(35.2)	4 650	(84 592)	-	10 094	(90 443)	-	1 619	73 513	20 125	157	-
B	KZN281	uMfolozi	52 831	52 831	27 537	52.1	-	3 691	-	398	7 264	-	-	-	-	200	-
B	KZN282	uMhlathuze	671 834	671 834	165 590	24.6	-	23 147	-	118	8 214	44	21 510	91 918	9 135	2 946	-
B	KZN284	uMlalazi	71 566	71 566	36 539	51.1	653	1 818	-	-	20 169	-	323	-	-	752	-
B	KZN285	Mthonjaneni	39 694	39 694	(447 560)	(1 127.5)	(8)	(76 778)	-	-	(112 265)	-	(127 523)	(1 985)	(9 025)	(14 245)	-
B	KZN286	Nkandla	10 044	10 044	(419 443)	(4 176.2)	-	(129 866)	-	(24 668)	(161 479)	-	(1 997)	-	(2 596)	(3 059)	-
C	DC28	King Cetshwayo DM	296 130	296 130	77 730	26.2	16	3	-	-	-	-	65 474	11 848	362	-	-
Total: King Cetshwayo Municipalities			1 142 099	1 142 099	(559 608)	(49.0)	660	(177 985)	-	(24 153)	(238 097)	44	(107 687)	155 407	9 363	(13 043)	-
B	KZN291	Mandeni	59 005	59 005	(238 668)	(404.5)	(1 525)	(58 314)	-	533	(81 186)	84	(20 357)	-	-	-	-
B	KZN292	KwaDukuza	295 382	295 382	59 687	20.2	-	3 392	-	89	28 182	-	12 624	-	-	1 236	-
B	KZN293	Ndwedwe	85 122	85 122	20 818	24.5	111	597	-	11 738	7 765	-	-	-	-	-	-
B	KZN294	Maphumulo	33 939	33 939	21 084	62.1	158	958	-	80	20 487	-	-	-	-	139	-
C	DC29	iLembe DM	202 796	202 796	106 533	52.5	-	152	-	2 650	-	-	85 738	17 992	-	-	-
Total: ILembe Municipalities			676 245	676 245	(30 547)	(4.5)	(1 255)	(53 214)	-	15 089	(24 752)	84	(7 733)	85 738	17 992	1 375	-
B	KZN433	Greater Kokstad	102 185	102 185	52 636	51.5	-	657	-	9 355	6 015	-	17 986	-	-	793	-
B	KZN434	uBuhlebezwe	59 179	59 179	(26 955)	(45.5)	(1 158)	127	-	(6 509)	(5 833)	-	410	-	-	210	-
B	KZN435	uMzimkhulu	95 592	95 592	48 676	50.9	33	756	-	7	32 967	-	2 621	-	-	4 687	-
B	KZN436	Dr. Nkosazana Dlamini Zuma	101 077	101 077	20 032	19.8	98	464	-	18 403	103	-	-	-	-	-	-
C	DC43	Harry Gwala DM	271 221	271 221	165 626	61.1	-	1 869	-	-	-	-	-	147 408	8 994	-	-
Total: Harry Gwala Municipalities			629 255	629 255	260 016	41.3	(1 027)	3 874	0	21 256	33 252	-	21 017	147 408	8 994	5 689	-
Total			11 021 103	11 021 103	4 313 051	39.1	23 191	(232 546)	177	249 839	1 738 019	7 482	157 410	1 526 506	260 526	55 253	23 867

Source: NT Igdatabase

Annexure F: Debtors Age Analysis (Total) - 2nd Quarter 2020/21

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total	Actual Bad Debts Written Off to Debtors		Impairment - Bad Debts to Council Policy			
	Total	%	Total	%	Total	%	Total	%		Amount	%	Amount	%		
	A	KZN2000	eThekweni	2 015 726	13.7	787 772	5.4	534 912		3.6	11 372 438	77.3	14 710 849	-	0.0
B	KZN212	uMdoni	3 855	3.1	3 290	2.6	2 546	2.0	115 573	92.3	125 264	-	-	-	-
B	KZN213	uMzumbane	(26)	-	(0)	-	(2)	-	34 083	-	34 054	-	-	-	-
B	KZN214	uMuziwabantu	4 193	11.5	2 943	8.1	2 358	6.5	26 848	73.9	36 342	-	-	-	-
B	KZN216	Ray Nkonyeni	53 887	12.7	24 807	5.9	18 779	4.4	325 802	77.0	423 275	-	-	-	-
C	DC21	Ugu DM	127 179	-	78 617	-	69 166	-	1 940 603	-	2 215 565	-	-	-	-
Total: Ugu Municipalities			189 087	6.7	109 657	3.9	92 847	3.3	2 442 909	86.2	2 834 499	-	-	-	-
B	KZN221	uMshwathi	(17)	(0.0)	2 588	1.9	1 222	0.9	130 383	97.2	134 175	-	-	-	-
B	KZN222	uMngeni	8 554	4.8	5 660	3.2	20 478	11.6	141 714	80.3	176 405	-	-	-	-
B	KZN223	Mpofana	(855)	(0.7)	(4 178)	(3.2)	(187)	(0.1)	134 869	104.0	129 648	-	-	-	-
B	KZN224	iMpendle	249	2.8	52	0.6	324	3.6	8 412	93.1	9 036	-	-	-	-
B	KZN225	Msunduzi	464 685	9.7	159 561	3.3	118 330	2.5	4 029 931	84.4	4 772 507	13 714 717	287.4	-	-
B	KZN226	Mkhambathini	1 563	5.4	631	2.2	(1 023)	(3.5)	27 965	96.0	29 136	-	-	-	-
B	KZN227	Richmond	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC22	uMgungundlovu DM	32 509	3.4	25 606	2.7	19 325	2.0	875 028	91.9	952 468	-	-	-	-
Total: uMgungundlovu Municipalities			506 686	8.2	189 918	3.1	158 468	2.6	5 348 302	86.2	6 203 375	13 714 717	221.1	-	-
B	KZN235	Okhahlamba	3 370	4.6	1 830	2.5	2 013	2.7	66 239	90.2	73 452	-	-	-	-
B	KZN237	iNkosi Langalibalele	14 716	5.0	11 268	3.8	10 214	3.5	257 307	87.7	293 505	-	-	-	-
B	KZN238	Alfred Duma	40 960	6.6	21 916	3.5	17 579	2.8	537 287	87.0	617 742	-	-	-	-
C	DC23	uThukela DM	31 016	2.6	25 065	2.1	32 189	2.7	1 113 640	92.7	1 201 910	-	-	-	-
Total: uThukela Municipalities			90 063	4.1	60 078	2.7	61 995	2.8	1 974 473	90.3	2 186 608	-	-	-	-
B	KZN241	eNdumeni	(6 755)	(4.9)	6 109	4.4	3 966	2.9	134 602	97.6	137 923	-	-	-	-
B	KZN242	Nquthu	1	0.0	1 801	14.8	439	3.6	9 921	81.6	12 161	-	-	-	-
B	KZN244	uMsinga	3 070	6.1	1 490	2.9	1 339	2.6	44 788	88.4	50 687	-	-	-	-
B	KZN245	uMvoti	14 673	16.2	4 764	5.3	3 768	4.2	67 278	74.4	90 483	-	-	-	-
C	DC24	uMzinyathi DM	5 958	1.7	10 907	3.2	9 646	2.8	318 541	92.3	345 053	-	-	-	-
Total: uMzinyathi Municipalities			16 946	2.7	25 072	3.9	19 158	3.0	575 130	90.4	636 307	-	-	-	-
B	KZN252	Newcastle	(124 788)	(7.7)	105 861	6.5	44 249	2.7	1 603 200	98.4	1 628 523	-	-	-	-
B	KZN253	eMadlangeni	2 360	4.8	1 739	3.5	997	2.0	44 191	89.7	49 287	-	-	-	-
B	KZN254	Dannhauser	1 893	3.7	1 842	3.6	1 454	2.8	46 099	89.9	51 288	-	-	-	-
C	DC25	Amajuba DM	4 106	3.5	4 350	3.8	2 320	2.0	105 123	90.7	115 899	-	-	-	-
Total: Amajuba Municipalities			(116 430)	(6.3)	113 792	6.2	49 021	2.7	1 798 614	97.5	1 844 996	-	-	-	-
B	KZN261	eDumbe	(73)	-	2 970	-	2 434	-	142 306	-	147 637	-	-	-	-
B	KZN262	uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN263	AbaQulusi	30 690	11.4	14 145	5.3	8 707	3.2	214 653	80.0	268 195	-	-	-	-
B	KZN265	Nongoma	1 599	2.7	102	0.2	676	1.1	57 811	96.0	60 189	-	-	-	-
B	KZN266	Ulundi	4 028	3.4	3 460	2.9	1 834	1.6	108 670	92.1	117 992	-	-	-	-
C	DC26	Zululand DM	8 079	5.6	3 850	2.7	3 778	2.6	129 360	89.2	145 068	-	-	-	-
Total: Zululand Municipalities			44 323	6.0	24 527	3.3	17 430	2.4	652 800	88.3	739 080	-	-	-	-
B	KZN271	uMhlabyalingana	991	1.8	1 466	2.7	741	1.4	51 218	94.1	54 416	-	-	-	-
B	KZN272	Jozini	3 771	2.1	2 933	1.6	-	-	173 644	96.3	180 348	-	-	-	-
B	KZN275	Mtubatuba	5 866	-	5 102	-	4 853	-	156 134	-	171 955	-	-	-	-
B	KZN276	Big Five Hlabisa	1 228	2.2	1 106	2.0	1 061	1.9	52 097	93.9	55 492	-	-	-	-
C	DC27	uMkhanyakude DM	5 925	3.6	6 825	4.2	5 767	3.5	143 995	88.6	162 512	-	-	-	-
Total: uMkhanyakude Municipalities			17 780	2.8	17 432	2.8	12 422	2.0	577 088	92.4	624 722	-	-	-	-
B	KZN281	uMfolozi	956	5.8	(1 275)	(7.8)	262	1.6	16 412	100.3	16 355	-	-	-	-
B	KZN282	uMhlathuze	358 046	42.1	40 575	4.8	34 402	4.0	416 457	49.0	849 480	-	-	-	-
B	KZN284	uMlalazi	(866)	-	4 630	-	2 779	-	77 280	-	83 823	-	-	-	-
B	KZN285	Mthonjaneni	2 806	7.7	1 734	4.8	1 402	3.8	30 496	83.7	36 438	-	-	-	-
B	KZN286	Nkandla	5 213	8.3	4 308	6.9	4 033	6.4	49 292	78.4	62 847	-	-	-	-
C	DC28	King Cetshwayo DM	8 479	9.2	5 667	6.1	3 372	3.6	74 874	81.0	92 393	-	-	41 346	44.8
Total: King Cetshwayo Municipalities			374 634	32.8	55 639	4.9	46 251	4.1	664 812	58.2	1 141 336	-	-	41 346	3.6
B	KZN291	Mandeni	5 131	2.1	4 400	1.8	4 165	1.7	227 980	94.3	241 676	-	-	-	-
B	KZN292	KwaDukuza	50 408	16.4	20 749	6.7	14 807	4.8	221 448	72.0	307 412	-	-	-	-
B	KZN293	Ndwedwe	379	1.0	358	0.9	359	0.9	37 489	97.2	38 585	-	-	-	-
B	KZN294	Maphumulo	1 011	8.0	(741)	(5.9)	998	7.9	11 347	90.0	12 615	-	-	-	-
C	DC29	iLembe DM	22 230	4.6	18 687	3.9	18 197	3.8	419 505	87.6	478 619	-	-	-	-
Total: iLembe Municipalities			79 158	7.3	43 453	4.0	38 526	3.6	917 769	85.1	1 078 907	-	-	-	-
B	KZN433	Greater Kokstad	13 988	18.7	6 788	9.1	3 054	4.1	51 151	68.2	74 982	-	-	-	-
B	KZN434	uBuhlebezwe	4 509	4.8	4 501	4.8	3 378	3.6	81 734	86.8	94 122	-	-	-	-
B	KZN435	uMzimkhulu	694	4.5	497	3.2	347	2.3	13 778	90.0	15 316	(282)	(1.8)	-	-
B	KZN434	Dr. Nkosazana Dlamini Zuma	(942)	(1.4)	2 015	3.1	1 802	2.8	62 611	95.6	65 485	-	-	-	-
C	DC43	Harry Gwala DM	6 998	3.2	6 730	3.1	6 223	2.9	198 040	90.8	217 992	-	-	-	-
Total: Harry Gwala Municipalities			25 247	5.4	20 531	4.4	14 804	3.2	407 315	87.1	467 896	(282)	(0.1)	-	-
Total			3 243 222	10.0	1 447 871	4.5	1 045 833	3.2	26 731 649	82.3	32 468 576	13 714 435	42.2	41 346	0.1

Source: NT Publication

Annexure G: Debtors by Customer Group (Total) - 2nd Quarter 2020/21

R'000	Organs of State						Commercial					Household					Other					Total								
	Age category (Days)			Total	%		Age category (Days)			Total	%		Age category (Days)			Total	%													
	30 - 60	60 - 90	Over 90				30 - 60	60 - 90	Over 90				30 - 60	60 - 90	Over 90				30 - 60	60 - 90	Over 90									
A	KZN2000	eThekweni	136 305	71 790	42 957	672 858	923 910	6.3		926 301	273 877	145 321	2 445 841	3 791 340	25.8		949 033	439 485	345 511	8 228 428	9 962 457	67.7	4 087	2 620	1 123	25 311	33 142	0.2	14 710 849	
B	KZN212	uMdoni	128	103	108	41 188	41 526	33.2		1 215	637	459	14 799	17 111	13.7		2 513	2 528	1 960	57 230	64 232	51.3	(2)	21	19	2 356	2 394	1.9	125 264	
B	KZN213	uMzombe	-	-	-	22 806	22 806	-		(26)	(0)	(2)	6 602	6 574	-		-	-	-	-	-	-	-	-	(0)	-	4 675	4 675	-	34 054
B	KZN214	uMuzivabantu	1 058	953	915	9 636	12 563	34.6		2 162	1 251	755	7 999	12 167	33.5		972	739	688	9 213	11 612	32.0	-	-	-	-	-	-	-	36 342
B	KZN216	Ray Nkonyeni	1 822	821	2 412	32 321	37 376	8.8		18 054	6 916	3 860	53 635	82 465	19.5		34 011	17 069	12 507	239 847	303 433	71.7	-	-	-	-	-	-	-	423 275
C	DC21	Ugu DM	7 364	5 007	4 460	94 495	111 326	-		40 432	16 507	11 101	285 379	353 420	-		79 495	57 166	53 622	1 559 145	1 749 427	-	(112)	(63)	(16)	1 583	1 392	-	2 215 565	
	Total: Ugu Municipalities		10 372	6 885	7 895	200 445	225 597	8.0		61 837	25 312	16 174	368 413	471 736	16.6		116 991	77 503	68 776	1 865 435	2 128 705	75.1	(114)	(42)	2	8 615	8 461	0.3	2 834 499	
B	KZN221	uMshwathi	(1)	707	(83)	48 148	48 772	36.3		(55)	904	602	30 964	32 415	24.2		38	912	650	50 985	52 585	39.2	-	64	53	286	403	0.3	134 175	
B	KZN222	uMngeni	130	144	409	6 951	7 634	4.3		771	64	492	1 970	3 297	1.9		7 123	4 830	16 072	111 454	139 478	79.1	529	622	3 506	21 338	25 996	14.7	176 405	
B	KZN223	Mpofane	338	196	279	9 018	9 831	7.6		(1 032)	(4 907)	(863)	97 055	90 252	69.6		(161)	533	398	28 795	29 565	22.8	-	-	-	-	-	-	129 648	
B	KZN224	iMpendle	(4)	(271)	105	5 051	4 881	54.0		28	53	20	815	916	10.1		25	23	18	653	719	8.0	200	247	181	1 893	2 520	27.9	9 036	
B	KZN225	Msunduzi	22 731	14 269	9 873	175 880	222 753	4.7		209 841	45 095	22 238	447 912	725 086	15.2		228 112	93 248	81 176	3 181 004	3 583 541	75.1	4 000	6 949	5 042	225 135	241 126	5.1	4 772 507	
B	KZN226	Mkhambathini	130	(54)	(251)	831	656	2.3		848	574	491	11 315	13 228	45.4		306	181	(5)	3 819	4 301	14.8	279	(70)	(1 257)	12 001	10 952	37.6	29 136	
B	KZN227	Richmond	-	-	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
C	DC22	uMgungundlovu DM	5 314	2 836	1 177	23 818	33 145	3.5		4 529	2 043	353	14 959	21 883	2.3		20 536	18 593	15 693	742 218	797 039	83.7	2 130	2 134	2 102	94 034	100 399	10.5	952 468	
	Total: uMgungundlovu Municipalities		28 638	17 827	11 509	269 699	327 672	5.3		214 931	43 825	23 332	604 990	887 078	14.3		255 979	118 320	114 001	4 118 927	4 607 229	74.3	7 137	9 946	9 627	354 686	381 397	6.1	6 203 375	
B	KZN235	Okhahlamba	513	(361)	457	23 034	23 643	32.2		744	415	313	7 024	8 495	11.6		853	584	570	17 889	19 896	27.1	1 260	1 192	673	18 292	21 418	29.2	73 452	
B	KZN237	iNkosi Langalibalele	(5 054)	822	933	60 598	57 299	19.5		11 645	7 964	4 369	111 636	135 614	46.2		8 124	2 482	4 911	85 110	100 628	34.3	0	0	0	(37)	(36)	(0.0)	293 505	
B	KZN238	Alfred Duma	9 666	7 355	6 348	140 117	163 485	26.5		19 229	6 269	4 461	111 071	141 031	22.8		12 065	8 291	6 771	286 098	313 226	50.7	-	-	-	-	-	-	-	617 742
C	DC23	uThukela DM	4 273	3 311	7 172	29 608	44 365	3.7		4 762	2 623	5 546	98 667	111 599	9.3		21 981	19 130	19 470	985 364	1 045 946	87.0	-	-	-	-	-	-	-	1 201 910
	Total: uThukela Municipalities		9 398	11 127	14 910	253 357	288 792	13.2		36 380	17 271	14 689	328 399	396 739	18.1		43 024	30 487	31 723	1 374 462	1 479 695	67.7	1 261	1 193	674	18 255	21 382	1.0	2 186 608	
B	KZN241	eNdlumeni	(354)	565	790	15 413	16 414	11.9		(2 499)	2 613	1 080	10 971	12 165	8.8		(1 794)	2 691	2 147	98 585	101 629	73.7	(2 108)	241	(51)	9 634	7 715	5.6	137 923	
B	KZN242	Nquthu	-	766	286	6 507	7 558	62.1		(0)	945	80	359	1 384	11.4		1	90	73	3 055	3 220	26.5	-	-	-	-	-	-	-	12 161
B	KZN244	uMsinga	2 294	1 096	972	31 515	35 876	70.8		758	385	358	11 865	13 365	26.4		18	10	10	1 409	1 446	2.9	-	-	-	-	-	-	-	50 687
B	KZN245	uMvoti	1 328	1 370	974	9 457	13 130	-		5 966	1 166	710	11 899	19 731	-		3 604	1 881	1 701	37 056	44 242	-	3 784	347	383	8 866	13 380	-	90 483	
C	DC24	uMzinyathi DM	845	2 496	1 916	36 298	41 555	12.0		2 980	1 529	737	33 520	36 067	10.5		4 773	6 742	6 908	247 819	266 242	77.2	61	140	85	903	1 189	0.3	345 053	
	Total: Umzinyathi Municipalities		4 114	6 292	4 938	99 190	114 534	18.0		4 494	6 638	2 964	68 615	82 711	13.0		6 602	11 414	10 839	387 924	416 778	65.5	1 736	728	417	19 402	22 283	3.5	636 307	
B	KZN252	Newcastle	(6 721)	2 637	1 873	25 765	23 553	1.4		(22 925)	41 626	11 907	91 052	121 660	7.5		(15 465)	49 396	27 579	1 391 908	1 453 419	89.2	(79 677)	12 203	2 889	94 476	29 891	1.8	1 628 523	
B	KZN253	eMadlangeni	665	455	51	10 235	11 406	23.1		510	251	(42)	2 525	3 244	-		374	255	215	5 934	6 678	-	810	773	773	25 598	27 959	-	49 287	
B	KZN254	Dannhauser	756	746	710	16 410	18 622	36.3		624	610	283	7 226	8 743	17.0		512	486	462	22 463	23 923	46.6	-	-	-	-	-	-	-	51 288
C	DC25	Amajuba DM	800	873	185	5 537	7 395	6.4		209	170	145	5 489	6 013	-		3 097	3 306	1 990	94 098	102 491	-	-	-	-	-	-	-	115 899	
	Total: Amajuba Municipalities		(4 500)	4 711	2 819	57 946	60 976	3.3		(21 582)	42 657	12 293	106 292	139 661	7.6		(11 481)	53 443	30 246	1 514 302	1 586 510	86.0	(78 867)	12 980	3 663	120 073	57 849	3.1	1 844 996	
B	KZN261	eDumbe	(0)	1 305	1 129	7 519	9 954	-		(63)	804	486	21 646	22 873	-		(10)	563	519	106 580	107 652	-	(0)	298	300	6 561	7 159	-	147 637	
B	KZN262	uPhongolo	-	-	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN263	AbaQulusi	4 481	3 291	2 266	41 151	51 190	19.1		14 315	5 218	1 864	24 316	45 713	17.0		11 894	5 636	4 577	149 185	171 292	63.9	-	-	-	-	-	-	268 195	
B	KZN265	Nongoma	372	(405)	467	28 591	29 026	48.2		1 053	360	58	17 297	18 768	31.2		76	67	83	5 263	5 488	9.1	98	80	69	6 660	6 907	11.5	60 189	
B	KZN266	Ulundi	1 361	1 208	270	40 261	43 100	-		2 069	672	359	10 763	13 863	-		1 014	1 098	908	18 241	21 261	-	(416)	483	296	39 405	39 768	-	117 992	
C	DC26	Zululand DM	2 052	798	1 143	9 679	13 673	9.4		1 195	562	489	13 364	15 602	10.8		4 832	2 489	2 154	106 317	115 793	79.8	-	-	-	-	-	-	-	145 068
	Total: Zululand Municipalities		8 268	6 197	5 																									

Annexure H: Creditors Age Analysis (Total) - 2nd Quarter 2020/21

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total		
	Total	%	Total	%	Total	%	Total	%			
A	KZN2000	eThekwini	1 527 246	61.8	0	0.0	54 259	2.2	889 299	36.0	2 470 805
B	KZN212	uMdoni	591	99.6	-	-	-	-	3	0.4	593
B	KZN213	uMzumbe	130	-	2 373	-	23	-	153	-	2 678
B	KZN214	uMuziwabantu	2 121	-	324	-	-	-	6	-	2 451
B	KZN216	Ray Nkonyeni	321	42.2	428	56.2	12	1.6	-	-	761
C	DC21	Ugu DM	19 036	-	3 575	-	(1 535)	-	841 706	-	862 782
Total: Ugu Municipalities			22 199	2.6	6 700	0.8	(1 500)	(0.2)	841 868	96.8	869 266
B	KZN221	uMshwathi	(57)	-	(39)	-	33	-	45	-	(18)
B	KZN222	uMngeni	2 960	42.3	94	1.3	-	-	3 937	56.3	6 991
B	KZN223	Mpofana	-	-	-	-	-	-	-	-	-
B	KZN224	iMpendle	(14)	-	14	-	-	-	(125)	-	(125)
B	KZN225	Msunduzi	889 352	85.2	84 307	8.1	28 898	2.8	41 658	4.0	1 044 216
B	KZN226	Mkhambathini	1 176	-	-	-	-	-	-	-	1 176
B	KZN227	Richmond	761	-	0	-	1	-	15	-	778
C	DC22	uMgungundlovu DM	3 258	10.4	15 948	50.7	4 347	13.8	7 887	25.1	31 440
Total: uMgungundlovu Municipalities			897 436	82.8	100 325	9.3	33 279	3.1	53 418	4.9	1 084 457
B	KZN235	Okhahlamba	2 783	100.0	-	-	-	-	-	-	2 783
B	KZN237	iNkosi Langaibalele	28 085	46.2	5 974	9.8	1 461	2.4	25 269	41.6	60 789
B	KZN238	Alfred Duma	118	5.9	-	-	-	-	1 881	94.1	1 998
C	DC23	uThukela DM	17 622	68.4	3 482	13.5	1 382	5.4	3 277	12.7	25 764
Total: uThukela Municipalities			48 607	53.2	9 456	10.4	2 844	3.1	30 427	33.3	91 334
B	KZN241	eNdameni	654	98.3	11	1.7	-	-	-	-	666
B	KZN242	Nquthu	3 243	15.0	9 266	43.0	1 810	8.4	7 229	33.5	21 548
B	KZN244	uMsinga	-	-	-	-	-	-	-	-	-
B	KZN245	uMvoti	650	-	787	-	952	-	10 151	-	12 540
C	DC24	uMzinyathi DM	3 115	24.8	4 501	35.9	5 240	41.8	36 590	291.8	49 446
Total: uMzinyathi Municipalities			7 662	15.5	14 565	29.5	8 003	16.2	53 970	109.1	84 200
B	KZN252	Newcastle	8 449	10.0	19 833	23.6	13 899	16.5	315 702	374.9	357 882
B	KZN253	eMadlangeni	(1 525)	(0.4)	1 962	0.5	(3 706)	(1.0)	3 723	1.0	454
B	KZN254	Dannhauser	482	-	-	-	5	1.0	-	-	487
C	DC25	Amajuba DM	1 903	391.1	12 930	2 656.5	1 988	408.4	77 682	15 959.8	94 503
Total: Amajuba Municipalities			9 309	9.9	34 724	36.7	12 185	12.9	397 107	420.2	453 325
B	KZN261	eDumbe	761	0.2	3 690	0.8	0	0.0	26 851	5.9	31 302
B	KZN262	uPhongolo	-	-	-	-	-	-	-	-	-
B	KZN263	AbaQulusi	9 519	-	538	-	216	-	10 666	-	20 938
B	KZN265	Nongoma	(884)	(4.2)	(274)	(1.3)	705	3.4	2 147	10.3	1 695
B	KZN266	Ulundi	(4 897)	(289.0)	-	-	-	-	94 316	5 565.7	89 419
C	DC26	Zululand DM	5 317	5.9	3 769	4.2	14 694	16.4	-	-	23 780
Total: Zululand Municipalities			9 817	41.3	7 722	32.5	15 615	65.7	133 979	563.4	167 133
B	KZN271	uMhlabyalingana	2 056	1.2	763	0.5	107	0.1	100	0.1	3 025
B	KZN272	Jozini	33	1.1	206	6.8	-	-	223	7.4	463
B	KZN275	Mtubatuba	(1 755)	(378.8)	(413)	(89.2)	5 360	1 157.2	5 780	1 247.8	8 972
B	KZN276	Big Five Hlabisa	(3 802)	(42.4)	4 057	45.2	640	7.1	2 132	23.8	3 026
C	DC27	uMkhanyakude DM	28 621	945.8	17 254	570.1	(7 112)	(235.0)	71 253	2 354.6	110 016
Total: uMkhanyakude Municipalities			25 153	22.9	21 867	19.9	(1 005)	(0.9)	79 488	72.3	125 502
B	KZN281	uMfolozi	370	0.3	(2 141)	(1.7)	1 782	1.4	730	0.6	740
B	KZN282	uMhlathuze	134 654	18 190.7	14	1.9	962	130.0	37 410	5 053.8	173 040
B	KZN284	uMlalazi	-	-	-	-	-	-	113	0.1	113
B	KZN285	Mthonjaneni	2 208	1 946.7	2 847	2 510.4	112	99.1	2 207	1 946.3	7 374
B	KZN286	Nkandla	3 665	49.7	(10 248)	(139.0)	(3 104)	(42.1)	(12 887)	(174.8)	(22 574)
C	DC28	King Cetshwayo DM	55 043	(243.8)	47 449	(210.2)	19 074	(84.5)	140 603	(622.9)	262 168
Total: King Cetshwayo Municipalities			195 939	74.7	37 921	14.5	18 826	7.2	168 177	64.1	420 863
B	KZN291	Mandeni	310	0.1	199	0.0	-	-	29	0.0	538
B	KZN292	KwaDukuza	2 450	455.3	18	3.3	9	1.7	34	6.3	2 511
B	KZN293	Ndwedwe	(2 613)	(104.1)	(105)	(4.2)	165	6.6	444	17.7	(2 108)
B	KZN294	Maphumulo	584	(27.7)	(30)	1.4	-	-	39	(1.8)	593
C	DC29	iLembe DM	37 843	6 382.0	4 512	760.9	995	167.9	2 743	462.6	46 093
Total: iLembe Municipalities			38 573	83.7	4 594	10.0	1 170	2.5	3 289	7.1	47 626
B	KZN433	Greater Kokstad	701	1.5	565	1.2	253	0.5	303	0.6	1 822
B	KZN434	uBuhlebezwe	10 269	563.7	2 528	138.8	2 226	122.2	4 571	250.9	19 594
B	KZN435	uMzimkhulu	5	0.0	-	-	-	-	-	-	5
B	KZN436	Dr. Nkosazana Dlamini Zuma	6 385	-	-	-	-	-	47	-	6 432
C	DC43	Harry Gwala DM	-	-	-	-	225	3.5	2 965	46.1	3 189
Total: Harry Gwala Municipalities			17 361	544.3	3 093	97.0	2 703	84.7	7 885	247.2	31 042
Total			2 799 302	9 017.9	240 968	776.3	146 378	471.6	2 658 905	8 565.6	5 845 553

Source: NT Publication

Appendix I : Creditors per Category - 2020/21

R'000	Bulk Electricity		Bulk Water		PAYE Deductions		VAT (output less input)		Pensions / Retirement		Loan repayments		Trade Creditors		Auditor-General		Other		Total				
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%					
A	KZN2000	eThekweni	737 862	29.9	319 419	12.9	143 409	5.8	6 455	0.3	147 432	6.0	769 031	31.1	276 641	11.2	225	0.0	70 331	2.8	2 470 805		
B	KZN212	uMdoni	-	-	-	-	-	-	578	97.4	-	-	-	-	16	2.6	-	-	-	-	593		
B	KZN213	uMzumbane	-	-	-	-	-	-	-	-	-	-	-	257	9.6	-	-	2 421	90.4	-	2 678		
B	KZN214	uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-	2 451	100.0	-	-	-	-	-	2 451		
B	KZN216	Ray Nkonyeni	-	-	-	-	-	-	-	-	-	-	-	761	100.0	-	-	-	-	-	761		
C	DC21	Ugu DM	-	-	618 867	71.7	-	-	-	-	-	-	-	243 915	28.3	(0)	(0.0)	-	-	-	862 782		
Total: Ugu Municipalities			-	-	618 867	71.2	-	-	578	0.1	-	-	-	-	247 400	28.5	(0)	(0.0)	2 421	0.3	869 266		
B	KZN221	uMshwathi	-	-	-	-	-	-	-	-	-	-	-	(0)	0.0	-	-	(18)	100.0	-	(18)		
B	KZN222	uMngeni	8 517	121.8	-	-	-	-	(5 465)	(78.2)	-	3 932	56.2	8	0.1	-	-	-	-	-	6 991		
B	KZN223	Mpofana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN224	iMpendle	-	-	-	-	-	-	-	-	-	-	-	(125)	100.0	-	-	-	-	-	(125)		
B	KZN225	Msunduzi	198 122	19.0	269 305	25.8	-	-	187 449	18.0	-	-	-	40 525	3.9	-	-	348 815	33.4	-	1 044 216		
B	KZN226	Mkhambathini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 176	100.0	-	1 176		
B	KZN227	Richmond	-	-	-	-	-	-	-	-	-	-	-	778	100.0	-	-	-	-	-	778		
C	DC22	uMgungundlovu DM	-	-	-	-	-	-	-	-	-	-	-	21 870	69.6	385	1.2	9 185	29.2	-	31 440		
Total: uMgungundlovu Municipalities			206 639	19.1	269 305	24.8	-	-	181 984	16.8	-	-	-	3 932	0.4	63 055	5.8	385	0.0	359 158	33.1	1 084 457	
B	KZN235	Okhahlamba	-	-	-	-	-	-	-	-	-	-	-	2 766	99.4	-	-	17	0.6	-	2 783		
B	KZN237	iNkosi Langalibalele	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60 789	100.0	-	60 789		
B	KZN238	Alfred Duma	-	-	-	-	-	-	-	-	-	-	-	1 998	100.0	-	-	-	-	-	1 998		
C	DC23	uThukela DM	-	-	-	-	-	-	-	-	-	-	-	25 764	100.0	-	-	-	-	-	25 764		
Total: uThukela Municipalities			-	-	-	-	-	-	-	-	-	-	-	-	30 528	33.4	-	-	-	-	60 806	66.6	91 334
B	KZN241	eNdumeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	666	100.0	-	666		
B	KZN242	Nquthu	-	-	-	-	-	-	-	-	-	-	-	20 154	93.5	-	-	1 395	6.5	-	21 548		
B	KZN244	uMsinga	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN245	uMvoti	-	-	-	-	-	-	-	-	-	-	-	3 607	28.8	-	-	8 932	71.2	-	12 540		
C	DC24	uMzinyathi DM	271	0.5	-	-	-	-	-	-	-	-	-	5 226	10.6	-	-	43 949	88.9	-	49 446		
Total: uMzinyathi Municipalities			271	0.3	-	-	-	-	-	-	-	-	-	-	28 987	34.4	-	-	-	-	54 941	65.3	84 200
B	KZN252	Newcastle	-	-	-	-	-	-	-	-	-	-	-	356 766	99.7	-	-	1 116	0.3	-	357 882		
B	KZN253	eMahlangueni	-	-	-	-	-	-	-	-	-	-	-	42	9.2	-	-	412	90.8	-	454		
B	KZN254	Dannhauser	-	-	-	-	-	-	-	-	-	-	-	487	100.0	-	-	-	-	-	487		
C	DC25	Amajuba DM	-	-	-	-	-	-	-	-	-	-	-	93 336	98.8	1 044	1.1	123	0.1	-	94 503		
Total: Amajuba Municipalities			-	-	-	-	-	-	-	-	-	-	-	-	450 631	99.4	1 044	0.2	1 651	0.4	-	453 325	
B	KZN261	eDumbe	-	-	99	0.3	-	-	-	-	-	-	-	6 252	20.0	-	-	24 950	79.7	-	31 302		
B	KZN262	uPhongolo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN263	AbaQulusi	-	-	-	-	-	-	-	-	-	-	-	20 959	100.1	-	-	(22)	(0.1)	-	20 938		
B	KZN265	Nongoma	-	-	-	-	-	-	-	-	-	-	-	1 906	112.5	-	-	(211)	(12.5)	-	1 695		
B	KZN266	Ulundi	94 316	105.5	-	-	-	-	-	-	-	-	-	(60)	-	-	-	(4 837)	(5.4)	-	89 419		
C	DC26	Zululand DM	-	-	-	-	-	-	-	-	-	-	-	23 780	100.0	-	-	-	-	-	23 780		
Total: Zululand Municipalities			94 316	56.4	99	0.1	-	-	-	-	-	-	-	-	52 837	31.6	-	-	-	-	19 881	11.9	167 133
B	KZN271	uMhlabyalingana	-	-	-	-	-	-	-	-	-	-	-	1 001	33.1	781	25.8	1 242	41.1	-	3 025		
B	KZN272	Jozini	-	-	-	-	-	-	-	-	-	-	-	203	-	-	-	260	56.2	-	463		
B	KZN275	Mtubatuba	-	-	-	-	-	-	-	-	-	-	-	6 959	77.6	(1)	(0.0)	2 013	22.4	-	8 972		
B	KZN276	Big Five Hlabisa	-	-	-	-	-	-	-	-	-	-	-	2 012	66.5	423	-	591	19.5	-	3 026		
C	DC27	uMkhanyakude DM	-	-	14 454	13.1	-	-	-	-	(3 266)	(3.0)	-	88 718	80.6	-	-	10 111	9.2	-	110 016		
Total: uMkhanyakude Municipalities			-	-	14 454	11.5	-	-	-	-	-	-	-	-	98 893	78.8	1 204	1.0	14 217	11.3	-	125 502	
B	KZN281	uMfolozi	-	-	-	-	-	-	-	-	-	-	-	(195)	(26.4)	0	0.0	936	126.4	-	740		
B	KZN282	uMhlathuze	91 899	53.1	16 181	9.4	13 412	7.8	-	-	11 227	6.5	-	40 236	23.3	-	-	85	0.0	-	173 040		
B	KZN284	uMlalazi	-	-	-	-	-	-	-	-	-	-	-	113	100.0	-	-	-	-	-	113		
B	KZN285	Mthonjaneni	5 436	73.7	-	-	-	-	-	-	-	-	-	679	9.2	-	-	1 258	17.1	-	7 374		
B	KZN286	Nkandla	-	-	-	-	-	-	-	-	-	-	-	(4 726)	20.9	(2)	0.0	(17 845)	79.1	-	(22 574)		
C	DC28	King Cetshwayo DM	-	-	70 203	26.8	-	-	-	-	-	-	-	161 753	61.7	-	-	30 212	11.5	-	262 168		
Total: King Cetshwayo Municipalities			97 335	23.1	86 384	20.5	13 412	3.2	-	-	11 227	2.7	-	-	197 861	47.0	(2)	(0.0)	14 646	3.5	-	420 863	
B	KZN291	Mandeni	6	1.1	-	-	-	-	-	-	-	-	-	508	94.4	-	-	24	4.4	-	538		
B	KZN292	KwaDukuza	-	-	-	-	-	-	-	85	3.4	-	-	2 425	96.6	-	-	-	-	-	2 511		
B	KZN293	Ndwedwe	-	-	-	-	-	-	-	-	-	-	-	(433)	20.5	(0)	0.0	(1 676)	79.5	-	(2 108)		
B	KZN294	Maphumulo	-	-	-	-	-	-	-	-	-	-	-	294	49.7	-	-	299	50.3	-	593		
C	DC29	iLembe DM	-	-	-	-	-	-	-	-	-	-	-	47 189	102.4	-	-	(1 096)	(2.4)	-	46 093		
Total: iLembe Municipalities			6	0.0	-	-	-	-	-	-	85	0.2	-	-	49 984	105.0	(0)	(0.0)	(2 450)	(5.1)	-	47 626	
B	KZN433	Greater Kokstad	-	-	-	-	-	-	-	-	-	-	-	1 822	100.0	-	-	-	-	-	1 822		
B	KZN434	uBuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	9 370	47.8	368	1.9	9 856	50.3	-	19 594		
B	KZN435	uMzimkhulu	-	-	-	-	-	-	-	-	-	-	-	5	100.0	-	-	-	-	-	5		
B	KZN436	Dr. Nkosazana Dlamini Zuma	-	-	-	-	-	-	6 385	99.3	-	-	-	-	-	-	-	47	0.7	-	6 432		
C	DC43	Harry Gwala DM	-	-	-	-	-	-	-	-	-	-	-	3 189	100.0	-	-	-	-	-	3 189		
Total: Harry Gwala Municipalities			-	-	-	-	-	-	6 385	20.6	-	-	-	-	14 385	46.3	368	1.2	9 903	31.9	-	31 042	
Total																							

Annexure J: National Conditional Grant - 3rd Quarter 2020/21 (Continued...)

Integrated National Electrification Programme (municipal) Grant						Expanded Public Works Programme Intergrated Grant (municipality)						Water Services Infrastructure Grant (Schedule 5B Grant)									
DoRA 2020 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2020 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2020 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		
			Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent	
-	-	-	-	-	-	-	79 192	79 192	55 434	79 229	100.0	79 192	100.0	-	-	-	-	-	-	-	-
5 000	5 000	-	23	0.5	-	-	1 398	1 398	979	932	66.7	944	67.6	-	-	-	-	-	-	-	-
8 000	8 000	8 000	-	-	-	-	1 533	1 533	1 074	985	64.3	981	64.0	-	-	-	-	-	-	-	-
5 000	5 000	-	-	-	1 129	22.6	1 048	1 048	262	223	21.3	40	3.8	-	-	-	-	-	-	-	-
5 000	5 000	5 000	1 901	38.0	80	1.6	3 949	3 949	2 765	2 425	61.4	2 894	73.3	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4 468	4 468	3 128	1 999	44.7	2 257	50.5	50 000	50 000	30 000	15 812	31.6	13 008	26.0	
23 000	23 000	13 000	1 924	8.4	1 208	5.3	12 396	12 396	8 208	6 564	53.0	7 117	57.4	50 000	50 000	30 000	15 812	31.6	13 008	26.0	
5 000	5 000	5 000	2 446	48.9	-	-	1 192	1 192	834	673	56.5	2 277	191.0	-	-	-	-	-	-	-	-
5 000	5 000	5 000	52	1.0	832	16.6	1 000	1 000	250	-	-	556	55.6	-	-	-	-	-	-	-	-
5 000	5 000	4 000	3 298	66.0	-	-	1 211	1 211	848	453	37.4	757	62.5	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1 284	1 284	899	636	49.5	2 479	193.1	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4 388	4 388	1 097	1 129	25.7	4 200	95.7	33 255	33 255	30 000	16 860	50.7	104 558	314.4	
5 000	5 000	5 000	2 000	40.0	360	7.2	1 143	1 143	800	927	81.1	1 369	119.8	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1 505	1 505	377	428	28.4	428	28.5	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3 071	3 071	2 150	920	30.0	780	25.4	80 000	80 000	43 720	43 720	54.7	31 598	39.5	
20 000	20 000	19 000	7 796	39.0	1 191	6.0	14 794	14 794	7 255	5 166	34.9	12 847	86.8	113 255	113 255	73 720	60 580	53.5	136 156	120.2	
5 000	5 000	5 000	169	3.4	-	-	3 081	3 081	2 157	2 745	89.1	2 873	93.2	-	-	-	-	-	-	-	-
3 965	3 965	3 965	-	-	902	22.7	2 082	2 082	1 458	521	25.0	428	20.5	-	-	-	-	-	-	-	-
4 000	4 000	-	161	4.0	3	0.1	4 642	4 642	3 250	1 822	39.3	1 115	24.0	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3 730	3 730	933	1 083	29.0	1 100	29.5	90 000	90 000	66 000	40 869	45.4	20 869	23.2	
12 965	12 965	8 965	330	2.5	905	7.0	13 535	13 535	7 798	6 171	45.6	5 515	40.7	90 000	90 000	66 000	40 869	45.4	20 869	23.2	
-	-	-	-	-	-	-	1 335	1 335	935	602	45.1	109	8.1	-	-	-	-	-	-	-	-
7 000	7 000	5 000	-	-	-	-	1 088	1 088	762	734	67.5	738	67.8	-	-	-	-	-	-	-	-
13 000	13 000	13 000	-	-	5 334	41.0	4 441	4 441	3 109	4 443	100.0	4 894	110.2	-	-	-	-	-	-	-	-
12 000	12 000	12 000	-	-	-	-	1 447	1 447	362	-	-	3 311	228.8	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5 457	5 457	3 821	1 440	26.4	2 235	41.0	78 235	78 235	50 000	26 461	33.8	25 473	32.6	
32 000	32 000	30 000	-	-	5 334	16.7	13 768	13 768	8 989	7 219	52.4	11 287	82.0	78 235	78 235	50 000	26 461	33.8	25 473	32.6	
7 000	7 000	3 000	-	-	2 130	30.4	2 895	2 895	2 027	1 862	64.3	1 130	39.0	35 000	35 000	25 000	5 402	15.4	4 350	12.4	
-	-	-	-	-	-	-	1 088	1 088	272	-	-	74	6.8	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1 000	1 000	250	462	46.2	457	45.7	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1 850	1 850	1 296	724	39.1	316	17.1	50 000	50 000	30 000	11 667	23.3	32 835	65.7	
7 000	7 000	3 000	-	-	2 130	30.4	6 833	6 833	3 845	3 048	44.6	1 976	28.9	85 000	85 000	55 000	17 069	20.1	37 184	43.7	
10 000	10 000	10 000	3 500	35.0	(58 055)	(580.5)	1 522	1 522	1 066	511	33.6	714	46.9	-	-	-	-	-	-	-	-
7 000	7 000	-	-	-	-	-	3 055	3 055	2 139	1 610	52.7	1 432	46.9	-	-	-	-	-	-	-	-
10 000	10 000	10 000	-	-	971	9.7	1 831	1 831	1 282	1 831	100.0	2 199	120.1	-	-	-	-	-	-	-	-
7 000	7 000	5 000	2 962	42.3	-	-	2 099	2 099	1 470	1 223	58.3	1 718	81.9	-	-	-	-	-	-	-	-
10 000	10 000	10 000	4 491	44.9	5 005	50.1	2 940	2 940	2 058	1 105	37.6	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9 261	9 261	6 483	7 182	77.6	5 977	64.5	105 500	105 500	73 850	60 798	57.6	49 590	47.0	
44 000	44 000	42 000	10 953	24.9	(52 078)	(118.4)	20 708	20 708	14 498	13 462	65.0	12 041	58.1	105 500	105 500	73 850	60 798	57.6	49 590	47.0	
12 000	12 000	7 500	-	-	1 034	8.6	2 952	2 952	738	1 067	36.1	2 479	84.0	-	-	-	-	-	-	-	-
10 000	10 000	6 000	-	-	3 826	38.3	2 746	2 746	1 923	2 465	89.8	5 171	188.3	-	-	-	-	-	-	-	-
8 000	8 000	6 500	-	-	907	11.3	1 945	1 945	1 362	704	36.2	390	20.1	-	-	-	-	-	-	-	-
7 000	7 000	5 500	-	-	-	-	2 148	2 148	537	861	40.1	1 686	78.5	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4 838	4 838	1 210	3 431	70.9	-	-	84 400	84 400	54 400	18 972	22.5	23 678	28.1	
37 000	37 000	25 500	-	-	5 767	15.6	14 629	14 629	5 770	8 528	58.3	9 725	66.5	84 400	84 400	54 400	18 972	22.5	23 678	28.1	
9 000	9 000	6 500	-	-	0	0.0	1 788	1 788	1 252	427	23.9	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4 278	4 278	2 995	1 472	34.4	1 744	40.8	25 000	25 000	15 000	15 000	60.0	20 883	83.5	
5 000	5 000	5 000	-	-	-	-	3 388	3 388	2 372	1 466	43.3	1 718	50.7	-	-	-	-	-	-	-	-
11 159	11 159	11 159	-	-	(39 383)	(352.9)	1 951	1 951	1 366	826	42.3	742	38.0	-	-	-	-	-	-	-	-
8 000	8 000	7 000	-	-	(6 362)	(79.5)	2 476	2 476	1 733	1 606	64.9	1 336	53.9	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5 276	5 276	3 693	2 530	48.0	2 529	47.9	75 000	75 000	45 000	8 217	11.0	19 412	25.9	
33 159	33 159	29 659	-	-	(45 745)	(138.0)	19 157	19 157	13 411	8 327	43.5	8 069	42.1	100 000	100 000	60 000	23 217	23.2	40 294	40.3	
5 000	5 000	4 500	-	-	(19 675)	(393.5)	2 387	2 387	1 671	1 107	46.4	1 472	61.7	-	-	-	-	-	-	-	-
5 000	5 000	5 000	3 625	72.5	4 970	99.4	1 465	1 465	1 026	1 020	69.6	1 320	90.1	-	-	-	-	-	-	-	-
7 000	7 000	7 000	577	8.2	-	-	1 760	1 760	1 232	911	51.8	1 222	69.4	-	-	-	-	-	-	-	-
7 000	7 000	7 000	2 435	34.8	-	-	1 282	1 282	898	860	67.1	1 042	81.3	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4 746	4 746	3 323	3 096	65.2	3 120	65.7	65 000	65 000	50 000	28 560	43.9	42 804	65.9	
24 000	24 000	23 500	6 637	27.7	(14 706)	(61.3)	11 640	11 640	8 150	6 994	60.1	8 176	70.2	65 000	65 000	50 000	28 560	43.9	42 804	65.9	
360	360	360	360	100.0	-	-	3 164	3 164	2 215	4 314	136.3	3 526	111.5	-	-	-	-	-	-	-	-
9 000	9 000	9 000	-	-	405	4.5	1 903	1 903	1 332	825	43.4	960	50.4	-	-	-	-	-	-	-	-
6 000	6 000	6 000	-	-	-	-	3 009	3 009	753	2 240	74.4	2 736	90.9	-	-	-	-	-	-	-	-
6 000	6 000	6 000	1 596	26.6	2 595	43.2	2 513	2 513	1 760	1 367	54.4	1 701	67.7	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5														